



Daily Report

East Asia

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Japan

Uno Deplores U.S. Trade Bill Provision

OW011129 Tokyo KYODO in English 1118 GMT
1 Apr 88

[Text] Tokyo, April 1 KYODO—Japan Friday deplored the agreement by a U.S. House-Senate conference to incorporate the so-called "super 301 provision" into the U.S. omnibus trade bill currently in the final stages of being made into law.

The provision calls for tougher sanctions against foreign countries that engage in unfair trade practices and limits some of the President's decision-making authority on trade issues. There is widespread feeling here that the measure is aimed primarily at Japan.

Foreign Minister Sosuke Uno said in a statement that Japan strongly hopes the provision will not be enacted in the form agreed by the conference because its application could be "extremely protectionist."

Uno also expressed Japan's determination to continue stressing to the U.S. side its concern over various points of the omnibus trade bill including such provision.

Meanwhile, Chief Cabinet Secretary Keizo Obuchi also expressed regret over the U.S. congressional decision during a press conference Friday evening.

The government strongly hopes that the "super 301 provision" would not be approved by the U.S. Congress, the government spokesman said.

Government Reacts to U.S. Toshiba Sanctions

OW010631 Tokyo KYODO in English 0558 GMT
1 Apr 88

[Text] Tokyo, April 1 KYODO—Japan will strongly urge the Reagan administration to lobby for scrapping a congressional decision to impose mandatory sanctions against the Toshiba conglomerate for selling high-technology products to Moscow, a chief government spokesman said Friday.

Chief Cabinet Secretary Keizo Obuchi made the statement at a press conference. He strongly protested the congressional decision to impose a three-year import ban on Toshiba Machine products and a three-year ban on U.S. Government procurement contracts with its parent firm, Toshiba Corp.

U.S. congressional negotiators agreed Thursday to take the punitive actions to penalize the Toshiba Corp. subsidiary for exporting to the Soviet Union sophisticated machines capable of milling ultra-quiet submarine propellers and aircraft carrier screws.

Meanwhile, Foreign Minister Sosuke Uno issued a statement criticizing the congressional agreement for "imposing unilateral sanctions against Toshiba group companies and also foreign companies for future export control violations."

He said the Japanese Government "considers such an agreement most regrettable."

The Foreign Ministry will immediately convey to the Reagan administration Japanese request for the U.S. to scrap the congressional accord, ministry officials said.

Uno stressed that the congressional decision "runs counter to a basic principle of COCOM [Coordinating Committee for Multilateral Export Controls] that effective enforcement of export controls is entrusted to each participating country's autonomous responsibility."

He also said the government believes that "such legislation would, if adopted and implemented, violate the GATT provisions, which the Government of Japan cannot overlook."

He also condemned the congressional decision for not taking into account "the enormous efforts made to date in Japan."

"The Government of Japan took strict measures on, including administrative action against, Toshiba Machine and persons concerned in accordance with the relevant national laws and regulations," he said.

The Tokyo District Court recently ruled against Toshiba Machine and Ryuzo Hayashi, former manager of the casting division at a factory where the machines were produced, and Hiroaki Tanimura, former deputy section chief of the factory's machine tool division.

The court found Toshiba Machine guilty of illicitly exporting sensitive high-technology machines to Moscow, fining it 2 million yen and handing down suspended jail sentences to the two lower-ranking factory managers at the company's Numazu plant, who were "acting under orders or with the consent from higher executives."

The government last year imposed a one-year ban on the firm's exports to the communist bloc and approved stronger legislation to control exports of strategic technology to communist-bloc nations. The law lengthened from three to five years the possible jail term for such offenses.

MITI Condemns Measures

OW010505 Tokyo KYODO in English 0438 GMT
1 Apr 88

[Text] Tokyo, April 1 KYODO—International Trade and Industry Minister Hajime Tamura condemned the U.S. Congress Friday for adding a clause calling for U.S. Government trade sanctions against Toshiba Corp. and

its subsidiary in retaliation for selling sophisticated machine tools to the Soviet Union which were used to produce quieter submarine propellers.

Tamura said the Congressional decision runs counter to a basic concept of the COCOM that each COCOM-member country should be responsible for enforcing COCOM regulations on its own.

Tamura added that the U.S. move would violate other nations' sovereignty by imposing unilateral U.S. sanctions on a firm that has already been punished by its own nation.

Tamura said it is incredible for "highly-cultivated" U.S. lawmakers to criticize a judicial decision as being only "mild punishment," referring to remarks made by some U.S. lawmakers about a Tokyo court ruling that penalized Toshiba Machine Co. and two of its former employees for violating Japan's foreign exchange law.

The United States is the country that introduced concepts of liberalism, democracy and a balance of power to the war-defeated Japan in 1945, he said.

In addition, Tamura said there is strong suspicion that the U.S. adoption of retaliatory measures would run counter to rules of the General Agreement on Tariffs and Trade (GATT).

The measures, he said, would be an obstacle for enhancing cooperation of COCOM-member nations, undermining its unity.

When asked about filing a possible complaint to the GATT, Tamura said it is not yet time because the bill has not yet become law.

He told a press conference that Japan will continue to ask the U.S. Government to remove the protectionist clause from the omnibus trade bill.

He added that both Japanese and U.S. Governments agreed to oppose any protectionist moves in Congress.

Toshiba Corp Expresses 'Shock'

OW010423 Tokyo KYODO in English 0340 GMT
1 Apr 88

["Toshiba Shocked by U.S. Congressional Action"—KYODO headline]

[Text] Tokyo, April 1 KYODO—The U.S. congressional decision to impose harsh sanctions on Toshiba Corp. in connection with illegal exports of sensitive high technology to the Soviet Union by its subsidiary, Toshiba Machine Co., came as a great shock to the parent company.

Toshiba Corp. President Joichi Aoi said the decision is unfair because it is a well-established fact that Toshiba had nothing to do with the case.

The U.S. congressional decision also runs counter to the basic principle of illegal technology exports in violation of COCOM regulations which stipulate offenders must be punished under laws of individual nations where such incidents occur, he said. The decision is also questionable since it calls for retroactive sanctions, he said.

Aoi expressed hope that both the Japanese and U.S. Governments as well as U.S. lawmakers will deal sensibly with the case in future debates on omnibus trade legislation and its handling by the U.S. Administration so that eventually the proposed sanctions will not be imposed.

A joint panel of U.S. senators and representatives decided Thursday that a three-year import ban should be imposed on all Toshiba Machine Co. products. It also decided the U.S. Government should ban Toshiba Corp. products for three years.

Other Toshiba Corp. executives expressed bitter disappointment at the U.S. congressional decision. It is most regrettable that the decision came at a time when Toshiba Corp. and its affiliates and subsidiaries have begun to take measures to prevent the recurrence of similar COCOM violations, they said.

Meanwhile, Toshiba Machine Co. declined to comment on the U.S. congressional action. Company officials were seriously concerned because if the proposed sanctions are imposed, it will deal a heavy blow to its business.

Exports to the United States amounted to about 17 billion yen in the business year ended Thursday, accounting for more than 40 percent of its total exports in the year.

The imposition of the sanctions will also seriously affect the parent company. Toshiba Corp. officials said the proposed three-year ban on U.S. Government procurement contracts will result in a loss of about 120 million dollars.

The amount accounts for about 2 percent of the company's total exports to the United States, which amounted to about 250 billion yen in fiscal 1986.

U.S. Farm Trade Talks End Without Agreement

OW010555 Tokyo KYODO in English 0539 GMT
1 Apr 88

[Text] Washington, March 31 KYODO—Japan and the United States ended top-level talks without agreement Thursday over U.S. demands for decontrols on Japan's beef and citrus fruit imports.

Visiting Japanese Agriculture, Forestry and Fisheries Minister Takashi Sato and U.S. Trade Representative Clayton Yeutter remained split on the issue at their fourth round of talks that continued into the night, Japanese officials said.

Sato told reporters after the talks he will leave for home Friday, when a Japan-U.S. agreement on beef and citrus import quotas expires.

He said the U.S. will bring the issue to the General Agreement on Tariffs and Trade (GATT) but that both sides have agreed to continue bilateral negotiations.

Yeutter said after the talks that the U.S. would have to refer the dispute to the GATT, a Geneva-based world trade watchdog.

The U.S. has said it will ask the GATT council to set up a multilateral dispute panel at its monthly meeting slated for April 8 unless Japan agrees to liberalize beef and citrus imports.

Japan will seek continued bilateral talks at the GATT meeting rather than multilateral panel consultations, Japanese Government sources said.

GATT Article 23 calls for bilateral negotiations first and panel talks if the bilateral talks fail. The latest Japan-U.S. negotiations were held voluntarily without invoking GATT procedures.

If Washington agrees to hold the GATT-stipulated bilateral negotiations, the GATT Council will not act on the U.S. request for the establishment of a panel until its next session May 4.

This would give Tokyo about a month to renegotiate with Washington and make renewed efforts to hammer out a compromise with farmers.

At the Sato-Yeutter talks, the U.S. side did not retreat from its repeated demand that Japan specify the date for liberalizing beef and citrus imports, Japanese officials said.

The U.S. also urged Japan to make as short as possible the preparatory period for liberalization. The U.S. has suggested two years as the longest acceptable period.

The U.S. demanded Japan make compensations if the preparatory period is prolonged and also called for limited protective measures after liberalization, the officials said.

Japan reiterated that liberalization is difficult and called U.S. attention to its continued expansion of import quotas.

Japan also said it is unfair for the U.S. to demand liberalization while the latter also maintains legal provisions permitting import curbs on meat.

Sato told a press conference following the talks that he would like to come here again as soon as possible to resume negotiations even though no scheduled for such talks has been set.

Yeutter, meanwhile, issued a statement expressing deep disappointment at Japan's failure to offer liberalization.

The U.S. will seek the establishment of a GATT dispute panel at the coming council meeting, the statement said, adding that bilateral talks will precede panel debate in accordance with GATT rules.

Further Talks Sought

OW010705 Tokyo KYODO in English 0729 GMT
1 Apr 88

[Text] Tokyo, April 1 KYODO—Japan will continue to seek settlement of its beef and citrus fruit trade dispute with the United States through bilateral talks, government and Liberal Democratic Party officials said Friday.

Agriculture, Forestry and Fisheries Ministry officials said the U.S. is now expected to take the issue to the General Agreement on Tariffs and Trade (GATT) under GATT Article 23.

The U.S. has said it will ask the GATT Council to set up a multilateral dispute panel under the article at its monthly meeting on April 8.

Japan will insist on settling the dispute through bilateral talks rather than multilateral panel negotiations, the officials said. Under Article 23, a country involved in a trade dispute with another nation can seek bilateral negotiations first and, if such talks fail, the settlement will be left to multilateral panel consultations.

The officials said the ministry immediately started studying this possibility as Japan-U.S. top-level negotiations on the issue ended in a rupture Thursday. The talks were held in Washington between Agriculture, Forestry and Fisheries Minister Takashi Sato and U.S. Trade Representative Clayton Yeutter.

Shintaro Abe, secretary general of the ruling Liberal Democratic Party, echoed the officials's view.

Japan must exert its maximum efforts to settle the dispute through bilateral negotiations as there is still time before the GATT council meeting is held, he said.

Meanwhile, the ministry officials ruled out the possibility of the expiry on March 31 of a Japan-U.S. beef and citrus fruit trade agreement having a serious impact on the supply of these commodities in Japan, at least for the present.

They said Japan has already secured imports of the two items for the first half of fiscal 1988 (April through September) under the import quota system.

The first-half quota for beef is 102,000 tons, up 9,000 tons from the same period of last fiscal year, and that for fresh oranges is 91,000 tons, unchanged from a year earlier.

Uno Sees Videotape on 'Dangerous' U.S. Foods
*OW011057 Tokyo KYODO in English 1048 GMT
1 Apr 88*

[Text] Tokyo, April 1 KYODO—Foreign Minister Sosuke Uno Friday expressed understanding for anger in the United States over a Japanese videotape describing foods imported from the U.S. as dangerous.

Uno told reporters that the Japanese side also has problems in its systems for accepting imported foods after he watched the videotape, produced by Japan's Central Union of Agricultural Cooperatives (Zenchu), at the ministry.

Zenchu made the 30-minute tape, which discusses the dangers of imported foods because of what it called contamination by agricultural chemicals and chemical preservatives, as part of its campaign against U.S. demands that Japan scrap import quotas for beef and oranges.

Daniel Amstutz, former U.S. undersecretary of agriculture, criticized the videotape as "insidious" at his nomination hearing last Friday by the Senate Foreign Relations Committee for the post of chief U.S. agricultural negotiator at the current new round of global trade liberalization talks.

The criticism came at a time when Zenchu President Mitsugu Horiuchi was in Washington attempting to stave off U.S. demands that Japan remove import quotas for beef and oranges.

U.S. Construction Talks End With Agreement
*OW300533 Tokyo KYODO in English 0400 GMT
30 Mar 88*

[Text] Washington, March 29 KYODO—Japan and the United States jointly announced Tuesday they have reached a final agreement on U.S. participation into the Japanese construction market.

U.S. Trade Representative Clayton Yeutter told a joint press conference that the two-year, on-and-off talks produced a "fruitful conclusion." Tokyo and Washington resumed the latest round of talks last Tuesday.

The accord provides for the Japanese Government to apply to two new projects the same eased bidding procedures it agreed to offer last November for bidding

on the Kansai International Airport (KIA) off Osaka. The two projects are the new headquarters of Nippon Telegraph and Telephone (NTT) Corp. and the trans-Tokyo Bay highway.

The deal also provides access to U.S. builders seven major works directly financed by government funds—expansion of the Tokyo International Airport at Haneda, construction of a new airport in Hiroshima, a giant suspension bridge across the straits of Akashi near Osaka, redevelopment of the coastal area of the Tokyo Bay, a highway along Ise Bay south of Nagoya, the new "Port 21" planned for Yokohama and a new Kansai research city planned for the Osaka-Kobe area.

The agreement also calls for the Japanese Government to "encourage" private firms to allow U.S. access to some public-private projects, such as terminal buildings for new airports in Hiroshima and Kitakyushu, a huge computerized telecommunications center on reclaimed land in Tokyo Bay, high technology-oriented redevelopment of the coastal area in Osaka and resident life-oriented redevelopment of the coastal area in Kobe.

The deal allowed Japan to avert trade retaliations the U.S. Government had earlier threatened to invoke based on Section 301 of the 1974 Trade Act, unless the deal was struck by a U.S.-imposed April 1 deadline.

Japanese chief negotiator Ichiro Ozawa, deputy chief cabinet secretary, told the press that the Japanese Government will encourage Japanese private firms to ensure "non-discriminatory" treatment of U.S. builders wishing to enter into the Japanese market.

Ozawa said, however, that the Japanese Government's influence "varies" in trying to persuade private firms to allow U.S. firms to participate in joint public-private projects and private projects indirectly financed by government funds or local municipal funds.

Ozawa urged U.S. firms to take full advantage of the agreement "by taking concrete action to obtain construction licenses in Japan and actually participating" in the Japanese construction market.

The accord failed, however, to solve bickering over a U.S. demand that the final agreement should include wording to the effect that the Japanese Government would "guarantee" access to the Japanese construction market.

Deputy U.S. Commerce Secretary W. Allen Moore told reporters that Commerce Secretary William Verity appreciated the flexibility Japan showed in improving U.S. access to the Japanese market, but that "the real proof of access will be in the future."

The agreement also calls for establishing an organization to monitor Japan's compliance with the accord, as well as a follow-up appraisal of Japan's actions to open up its market for U.S. firms to bid on contracts, Japanese officials said.

Both sides agreed that the follow-up review will be made at a bilateral meeting in 1990, the officials said.

Japan agreed to suspend existing rules that call for designating only construction firms with prior experience in the Japanese market as being qualified to participate in bidding on public works, they said.

The new rule will enable foreign contractors with prior experience in foreign markets to be regarded as being entitled for designation as qualified bidders under "a special measure" to help foreign firms to become acquainted with Japan's designated bidding system which first names qualified bidders and then awards contracts, they said.

Both sides reached a compromise agreement to extend the period for making estimates for construction projects from the current 14 days to 40 days. The U.S. side earlier demanded a period of 60 days, while Japan proposed 20 days.

The accord also calls for Japan to provide an annual calendar of construction projects and related master plans, as well as information on what types of equipment will be needed for certain projects 30 days before qualified bidders are designated, they said.

Japan will confirm these commitments in a letter which will be later exchanged between Japanese Ambassador Nobuo Matsunaga and U.S. Commerce Secretary William Verity, they said.

Chief U.S. negotiator Michael Smith, deputy trade representative, told reporters that he could not predict what share of these Japanese public works contracts might be won by U.S. firms. Japan said these contracts would be worth 60 billion dollars.

Smith said the Commerce Department will invite the heads of major U.S. construction firms to Washington next week to discuss the new accord.

He said a ban on Japanese contractors from federally funded projects—earlier enacted by the U.S. Congress in retaliation for exclusion of U.S. builders from the Japanese market—will automatically expire on October 1 and the U.S. Government hopes that the Congress will highly approve the accord and decide to refrain from extending the legal restrictions beyond the expiry date.

Moore stressed that Congress will closely watch how Japan will comply with the accord because U.S. lawmakers are keenly interested in ensuring U.S. participation in the Japanese construction market.

Late in 1987, Congress agreed to exclude Japanese contractors from participating in U.S. public works projects which included airports, veterans' hospitals and other projects as an amendment to the fiscal 1988 appropriations bill.

Pact 'Open to All Countries'

*OW310955 Tokyo KYODO in English 0938 GMT
31 Mar 88*

[Text] Tokyo, March 31 KYODO—The Foreign Ministry is studying how Tuesday's public works access agreement reached with the United States would apply to other countries, an official said Thursday.

"A final policy on how other countries can participate in Japan's public works under the new accords is yet to be concluded," the official told reporters.

An agreement on improving the access of U.S. firms in Japan's public works was reached with the United States Tuesday after extensive discussions between the two countries.

The official said the new pact not only applies to the United States but is open to all countries. However, this doesn't mean that everybody will be allowed to participate, he added.

South Korea, for example, might not be included in the agreement because participation by Japanese firms in their public works is restricted, he explained.

He said, however, that such questions do not apply to the construction of the Kansai international airport and projects commissioned by private and third sector entities, which follow nondiscriminatory procurement policies.

Foreign companies coming into the Japanese construction market will make it more competitive, the official said, and he urged foreign firms to start applying for licenses soon.

DPRK Ship's Crew Refused Disembarkation

*OW010853 Tokyo KYODO in English 0830 GMT
1 Apr 88*

[Text] Kobe, April 1 KYODO—The crew of a North Korean passenger ship which arrived in Kobe Port Friday morning was refused permission to disembark by immigration authorities in the fourth such case since sanctions were imposed against that country in January for the South Korean airliner incident.

The 8,314-ton "Sam Jiyon-ho" with a crew of 128 and 38 passengers, all Korean residents of Japan, entered the port to a welcoming crowd of an estimated 3,000 pro-Pyongyang Korean residents.

Two crew members requested but were denied permission to disembark in order to attend a welcoming ceremony, which was later held on board the vessel.

Sixty riot police were on alert at the site but no incidents were reported.

The ship will leave for Wonsan Monday afternoon with about 300 passengers.

The sanctions were imposed against North Korea for allegedly sabotaging of a Korean air plane last November that killed all 115 people aboard.

Mongolia

MPRP Resolution on Marx Anniversary
OW311135 Ulaanbaatar International Service in English
0910 GMT 28 Mar 88

[Text] The Mongolian People's Revolutionary Party Central Committee has adopted a resolution to commemorate the 170th birth anniversary of Karl Marx. All progressive socialist countries and international communist and workers organizations will mark the 170th anniversary of the birth of the founding father of scientific communism and the great leader of workers, Karl Marx, on 5 May 1988.

Karl Marx developed socialism from utopia into a science and determined the historic role of the working people as well as predicted the triumph of communism. Various popularization works [as heard] and scientific and press conferences will be held, anticipating this date in the country.

Briefs

Women's Committee Chairman

Ulaanbaatar, 29 Mar (MONTSAME)—By a decree of the MPR People's Great Hural Presidium, L. Pagmadulam, chairman of the Mongolian Women's Committee, has been awarded the Order of the "Polar Star" for her many years of great fruitful work in state and public organizations. [Text] *[OW301249 Ulaanbaatar MONTSAME in Russian 1448 GMT 29 Mar 88]*

North Korea

MAC Representative Condemns 'Team Spirit'
SK010506 Pyongyang Domestic Service in Korean
0230 GMT 1 Apr 88

[Text] The 442d MAC meeting is now being held in Panmunjom at the request of our side. At the meeting, our side is strongly protesting the fact that the U.S. imperialists and the South Korean puppet clique are conducting the provocative "Team Spirit-88" joint military exercise against our Republic. They are bringing

massive aggressive armed forces into South Korea, in wanton violation of the armistice agreement, and are severely straining the situation in our country.

According to Major General Yi Tae-ho, senior member of our side, at the 441st MAC meeting held on 23 February, our side strongly demanded that the U.S. side unconditionally suspend the aggressive "Team Spirit-88" joint military exercise that is leading the situation on the Korean peninsula to the brink of war. Our demand is a very just one from the standpoint of honoring the armistice agreement and of easing tension and preventing a nuclear war on the Korean peninsula, as well as in view of the trend of the times aspiring for peace. Therefore, the world's peace-loving countries and people support our demand and raise their voices of protest. They denounce the "Team Spirit-88" joint military exercise as a wanton violation of the Korean Armistice Agreement, as a test nuclear war exercise aimed at attacking the DPRK, and as a violent and brutal challenge to peace efforts.

However, the U.S. side turned away from our just request and carried out the adventurous "Team Spirit-88" joint military exercise. For this war exercise, the U.S. imperialist aggressors brought in from the U.S. mainland C-141 cargo planes carrying hundreds of anti-aircraft-battery soldiers, and a large, high-speed U.S. Navy cargo ship, the "Nicholas", which is carrying many types of war equipment, including some 1,000 battle vehicles as well as different types of helicopters. They also brought the warship "Pelileu" from the Philippines into South Korea.

The U.S. imperialist aggressors additionally brought into South Korea many warships, including the "Midway," a large aircraft carrier that carries more than 10,000 troops, nuclear bombs, and aircraft for carrying nuclear weapons, and cruisers and destroyers. The U.S. imperialist aggressors further brought into South Korea numerous war means and means for a nuclear strike, including tens of thousands of U.S. troops, warships of the U.S. 7th Fleet, fighter-bombers, and nuclear missiles. They are frenziedly staging the "Team Spirit-88" joint military exercise with these items, along with the armed forces already deployed in South Korea, thus inspiring war fever.

Participating in this war exercise are more than 10 war command organizations of the army corps level or higher—including the U.S. Strategic Command, which is in charge of commanding a nuclear war—some 200,000 regular armed forces, including some 60,000 U.S. troops, and about 1 million reservist troops. Also being employed are incredibly vast amounts of modern operational equipment; weapons of mass destruction such as the U.S. 7th Fleet aircraft carrier battle group, which is referred to as a moving nuclear base; hundreds of warships; the EA-4B nuclear command plane; (Hersto), a computer operational vehicle of which the United States is said to possess only four; B-52 strategic bombers which

are said to be one of the three backbones of the U.S. strategic nuclear-weapon force; some 2,000 aircraft of various types; various kinds of nuclear strike means; nuclear weapons; some 1,200 tanks, 25,000 military vehicles, and thousands of various guns and missiles.

Our side's senior member noted that the war exercise conducted by the U.S. imperialist aggressors, who are bringing in numerous aggressive armed forces, is a grave violation of subparagraph C of paragraph 13 of the armistice agreement. This agreement calls for the cessation of the introduction into Korea of military reinforcements. It permits only the rotation of units and personnel, the arrival in Korea of personnel on a temporary-duty basis, and the return of personnel following short periods of leave or temporary duty outside Korea. It is also a grave violation of subparagraph D of paragraph 13 of the armistice agreement. This document calls for the cessation of the introduction into Korea of reinforcing combat aircraft, armored vehicles, weapons, and ammunition. It permits combat aircraft, armored vehicles, weapons, and ammunition that are destroyed, damaged, worn out, or used up during the period of the armistice to be replaced on a piece-for-piece basis, as long as they are of the same effectiveness and are the same type. It is also a wanton violation of the preamble of the armistice agreement, which calls for the peaceful settlement of the Korean question, and paragraph 12 of the armistice agreement, which calls for a complete cessation of all hostilities in Korea by all armed forces. This includes all units and personnel of ground, naval, and air forces.

He noted that due to the war exercise that the U.S. imperialist aggressors are frenziedly conducting, as they mobilize vast aggressive armed forces in wanton violation of the armistice agreement, South Korea and its surrounding areas are turned into a battle site where the sounds of weapons are heard continuously. He also noted that the war exercise that the U.S. imperialist aggressors are frenziedly carrying out, as they mobilize vast forces and modern weapons and operational equipment, could be turned into an actual war against us at any time.

After disclosing that the U.S. imperialist aggressors are attempting to justify their criminal commotions to provoke war, while absurdly talking about an annual defensive exercise that constitutes no threat and mentioning an invitation for inspection, he stressed that no matter what sophistry they may utter, and that no matter what trick they may play, the U.S. imperialist aggressors will in no way be able to conceal the criminal nature of the "Team Spirit-88" joint military exercise and their aggressive colors.

After sternly denouncing the "Team Spirit-88" joint military exercise commotion that the U.S. imperialist aggressors are kicking up as a flagrant violation of the Korean Armistice Agreement, as an unforgivable crime that further aggravates tension in our country and

increases the danger of war, and as a vicious challenge to the Korean people and the peace-loving people of the world who are making every sincere effort for peace in the country and peaceful reunification, our side's senior member disclosed the danger of the provocative "Team Spirit-88" joint military exercise that the U.S. imperialist aggressors and the South Korean puppet clique are conducting.

While troops and ultramodern nuclear war devices are being deployed on a large scale to operational sites, an actual exercise designed to attack us is frantically and presently being carried out in South Korea. According to a plan for a war of northward invasion that they have already mapped out, the U.S. imperialist aggressors conducted in Pohang a large-scale landing operation exercise—one simulating an attack against Wonsan, Hamhung, and some of our other coastal cities—after mobilizing tens of thousands of troops, more than were mobilized for the Inchon landing operation during the fatherland liberation war. They did this after also mobilizing B-52 strategic bombers, F-16 and F-15 fighter bombers, and approximately 400 other operational aircraft; and hundreds of large and small warships with a nuclear-powered aircraft carrier as their axis.

[Words indistinct] carried out a large-scale, (?two-way) mobile operational exercise after mobilizing troops numbering almost 200,000 as well as ultramodern war devices on a large scale. This is an exercise designed to launch a surprise attack against the northern half of the republic after crossing the Imjin and North Han Rivers.

The U.S. imperialist aggressors are presently and successfully carrying out various offensive operational exercises. These include a large-scale bombing exercise by Air Force squadrons, a missile strike exercise, an air mobile operation, and a commando operation, in addition to exercises designed to conduct maritime operations on the East and West Seas and to strike at important targets in the northern half of the republic. These operational exercises, which are designed to launch a surprise three-dimensional attack from land, sea, and air against our frontline, coast, (?center), and rear, can be expanded into a war attacking us if (?the signal) is given.

The situation is also grave for another reason. The U.S. imperialist aggressors have already completed preparations for a war of northward invasion from South Korea. The "Team Spirit-88" joint military exercise is a very grave war commotion being kicked up under these circumstances. Approximately 40,000 U.S. troops, more than 1 million South Korean puppet troops, roughly 1,000 nuclear weapons of various types, and other ultramodern war devices are presently deployed in South Korea, and are at a state of alert. Lance missiles, Earnest John missiles, and other types of missiles are deployed in Seoul, Uijongbu, Tongduchon, Chunchon, and Munsan, and nuclear offensive operational aircraft are ready for around-the-clock mobilization in Osan, Ulsan, and Kunsan. Atomic bombs, atomic shells, and nuclear warheads

are stored in Kwangju, Taegu, Kunsan, and other places in South Korea, and even toxic gas shells are also stored there. Massive war materiel—enough to continue combat without outside assistance—is currently stored in South Korea, and 10,000 tons of war materiel for use in a Korean war is set aside in Japan. More grave is the fact that the enemy has forward deployed 800,000 to 900,000 troops close to the Military Demarcation Line [MDL].

Most of the U.S. aggression forces occupying South Korea have been deployed in forward areas close to the MDL, including Musan, Uijongbu, Tongduchon, Chuncheon, Kimp'o, and Sokcho. The vast armed forces of the South Korean puppet army, which are equivalent to the military strength of almost 10 corps, have also been deployed in the forward combat zone. These vast armed forces cannot be compared to our military strength deployed in the frontline region.

Not satisfied with this, the U.S. imperialist aggressors have recently gone so far as to drag mobilized reserve divisions stationed in the communications zone into the combat zone. Along with this, the U.S. imperialist aggressors have not only assigned to South Korean puppet army units the target areas for their attack in the northern half of the republic, but have also prepared and distributed military maps that can even be read at night.

After exposing the fact that the U.S. imperialist aggressors and the South Korean military fascist clique have in this manner perfectly completed war preparations in South Korea, our side's senior member stated that the "Team Spirit-88" joint military exercise being carried out amid such a situation is a very dangerous war exercise that could at any time be converted into an actual war to attack us.

Noting that the U.S. military bosses themselves have openly clamored that this military exercise can be converted into an actual war to attack the northern half of the republic, our side's senior member stated that, as seen in the history of war, it has become the imperialists' hackneyed method to suddenly attack the opposite side after slackening its vigilant posture with the excuse of a military exercise.

Our side's senior member particularly exposed the fact that, in synchronicity with the "Team Spirit-88" joint military exercise, the enemies have more viciously perpetrated grave military provocations against our side in the sky, on the ground, and at sea. On 19 and 26 March, the South Korean puppet clique fired at our guard posts in the DMZ with large-caliber machine guns and automatic weapons. It thus gravely threatened the personal safety of our side's DMZ police. On 25 and 29 March, the South Korean puppet clique infiltrated patrol boats and warships into our West Sea territorial waters. On 4 and 29 March, the U.S. imperialist aggressors also committed the grave military provocations of perpetrating espionage activities by infiltrating an SR-71 high-speed, high-altitude reconnaissance aircraft into the skies over

our territorial waters. This clearly demonstrates how desperately the U.S. imperialists and the South Korean puppet clique are trying to ignite the fuse of war.

Our side's senior member stated that due to such reckless war commotions by the U.S. imperialist aggressors, a grave situation in which a war may break out today or tomorrow on the Korean peninsula has been created. He continued: The KPA supreme commander has issued an order to all units of the three services of the KPA and the Korean People's Security Forces and all members of the Red Worker-Peasant Militia and the Red Youth Guards. This order directs them to maintain high revolutionary vigilance and full combat readiness to contend with the extremely dangerous situation in which the dark clouds of a new nuclear war hang over our country, due to the reckless military provocation maneuvers of the U.S. imperialists. The KPA supreme commander has also called for the 150,000 KPA soldiers and officers and the men of the Korean People's Security Forces who have been mobilized for socialist economic construction to maintain a state of full readiness so they can be rapidly mobilized at any time.

This is not only a self-defensive measure to cope with the aggressive and adventurous war provocation maneuvers of the U.S. imperialists and the South Korean puppets, but is also the just right of an independent and sovereign state.

Saying that we desire peace and not war, but that our people and the soldiers of the People's Army will nevertheless never permit the U.S. imperialist aggressors to threaten and provoke us, our side's senior member sternly warned that the U.S. imperialist aggressors must look squarely at the situation they created and must act discreetly.

The meeting is continuing.

'Security Officers' Meet

*SK011024 Pyongyang KCNA in English 1016 GMT
1 Apr 88*

[Text] Kaesong April 1 (KCNA)—A meeting of security officers of the Military Armistice Commission was held today at Panmunjom at the proposal of our side.

At the meeting the security officer of our side protested against the U.S. imperialist aggressors' intensified hostile provocations in the joint security area of Panmunjom, and introduction into this area of automatic weapons and armed military personnel in excess of the fixed number for the purpose of increasing the tension in flagrant violation of the armistice agreement and the points agreed upon between the two sides. And he called the enemy side to account for it.

The provocations and violations committed by the enemy side in March number more than 50 cases.

The security officer of our side declared that the enemy side should act with discretion, looking straight at the situation. We will closely watch the future action of the U.S. imperialist aggression forces, he said.

Yi Tae-ho Sends Note to NNSC
*SK011013 Pyongyang KCNA in English 1002 GMT
1 Apr 88*

[Text] Pyongyang April 1 (KCNA)—Major General Yi Tae-ho, senior member of our side to the Military Armistice Commission, today sent a letter to the Neutral Nations Supervisory Commission [NNSC] in connection with the fact that the U.S. imperialists and the South Korean puppet clique are staging the provocative "Team Spirit 88" joint manoeuvres in a full-dress stage by massively bringing aggression forces into South Korea in crude violation of the armistice agreement.

Recalling that although our side strongly demanded the U.S. side to stop the "Team Spirit 88" joint military exercises, at the 441st MAC meeting held on February 23, they are defiantly holding the joint manoeuvres with the mobilization of more than 200,000 troops and sophisticated means of war, the letter says:

Such war manoeuvres of the U.S. side are a flagrant violation of the preamble and paragraph 12 of the Korean Armistice Agreement which provide for preventing the recurrence of war on the Korean peninsula and attaining a peaceful settlement of the Korean issue. They are also an unbridled violation of paragraph 13 C and D which prescribe that the introduction into Korea of reinforcing military personnel, weapons and combat materiel shall be ceased.

As your committee knows, we took an active step of discontinuing large-scale military exercises from February 1986 and, last year, took a measure of unilaterally slashing our Armed Forces by 100,000 men with the aim of making a breakthrough for multinational disarmament talks.

However, the U.S. side started the adventurous "Team Spirit 88" joint military exercises in disregard of our peace proposal. This is an unbearable challenge to our peaceful efforts and a threat to peace and security.

The tensions are being keyed up and the danger of war is growing on the Korean peninsula today entirely because of the belligerent moves of the U.S. side.

I consider that the Neutral Nations Supervisory Commission which is deeply interested in peace and detente of Korea, with a mission to supervise the implementation of the Korean armistice agreement, should never remain an onlooker at the U.S. side's grave violations of the armistice agreement, true to its mission.

Daily Denounces Pohang Landing Maneuvers
*SK310509 Pyongyang KCNA in English 0441 GMT
31 Mar 88*

[Text] Pyongyang March 31 (KCNA)—NODONG SINMUN today says that the large-scale joint landing operation staged in Pohang area on the east coast as part of the "Team Spirit 88" military maneuvers on March 29 is an extremely adventurous war racket against the North.

The paper says in a signed commentary:

A war racket reminiscent of a real war was kicked up in the landing operation which involved huge armed forces, many warships and combat equipment.

Pohang was designated as the place of landing because it is similar to coastal cities of the DPRK in topographical conditions and it is situated near Japan which is used by the U.S. imperialists as a forward base and a sortie base.

It must not be overlooked that the U.S. imperialists and the puppets whipped up the war fever by unprecedentedly mobilizing reserve forces in the landing operation exercise which may be regarded as a curtain-raiser of the full-dress stage of the practical maneuvers. This is a patent proof that they are intending to mount a surprise attack on the DPRK by mobilizing not only the U.S. imperialist aggression forces and the puppet regular troops but also the paramilitary forces.

At a time when the joint landing operation was held on the east coast, the commander of the U.S. Pacific Fleet blared that after the "Team Spirit" joint maneuvers, the carrier "Midway" and other warships involved in the maneuvers would remain and stage military exercises in the coastal waters of South Korea.

The U.S. imperialists and the puppets scheme to unleash a total war against the DPRK in the sky, on the ground and the sea at any moment while pretending to stage military exercises with huge armed forces under the pretext of the "Team Spirit" rehearsal and the "security of the Olympics."

If the U.S. imperialists and the puppets venture an attack, our people and People's Army will destroy the enemy with a thousand-fold retaliatory blow.

U.S. Military Presence During Olympics Scored
*SK310511 Pyongyang KCNA in English 0447 GMT
31 Mar 88*

[Text] Pyongyang March 31 (KCNA)—NODONG SINMUN today hits at the announcement of the commander of the U.S. Pacific Fleet that U.S. warships would hold military exercises in the coastal waters of the Korean peninsula during the whole period of the 1988 Olympiad.

Noting that the carrier "Midway" and many warships of the U.S. imperialists participating in the "Team Spirit" maneuvers plan to stay and stage renewed military exercises during the Olympiad, a signed commentary of the paper brands this as a military threat and blackmail and armed provocation moves against the DPRK.

It goes on:

This reckless scheme is aimed to escalate and intensify the "Team Spirit" maneuvers, a test nuclear war against the North, and provoke another war in Korea.

Anyone can see that this is frantic nuclear war moves camouflaged with "Olympic security".

The U.S. imperialists, the chieftain of aggression and war, regard the Olympiad as a mere lever for their reactionary strategies in Asia and the world.

They are bringing dark clouds of a new war to the sky over Korea under the pretext of the Olympiad.

The United States must immediately stop the "Team Spirit" exercises and drop the idea of abusing the Olympic games for aggressive arms buildup and war preparations.

'Tripartite' Alliance Condemned

SK010447 Pyongyang KCNA in English 0420 GMT
1 Apr 88

[Text] Pyongyang April 1 (KCNA)—The U.S. and Japanese reactionaries and the South Korean puppets are promoting what they call "joint measures" under the cloak of Olympic "security", according to a Japanese publication. In other words, the U.S. imperialists are to monitor the "communications" of the DPRK in detail and transfer them to Japan and South Korea, and "watch" someone's "movement" by dispatching warships to the sea near Korea. And the Japanese reactionaries are to send "patrol boats" of its coastal agency to the east sea of Korea for the sake of "security". And the South Korean puppets are to act according to the orders of their masters.

This is another patent proof that the U.S. imperialists scheme to actually set in motion the U.S., Japan and South Korea tripartite military alliance in a war against the north of Korea under the pretext of the Olympics, says NODONG SINMUN today in a signed commentary:

It goes on:

It is the main demand of the U.S. imperialists' war strategy in Korea to wage a war against the North with a joint military action of the U.S., Japan and South Korea.

Accordingly, the U.S. imperialists let officers of the Japanese "Self-Defence Forces" take part in the "Team Spirit" joint maneuvers under the mask of "observer" and zealously inveigle the Japanese reactionaries into the anti-DPRK smear campaign. Someone's "obstructions" to the Olympiad over which the U.S. imperialists are raising such outcries are a sheer fiction.

Olympic "security" on their lips is nothing but a pretext to justify their war provocation moves.

Facts show that the U.S. and Japanese reactionaries and the South Korean puppets, having completed preparations for a war against the North, might invent new shocking incidents in the future and make a provocation against the North with them as an excuse.

CPRF Denounces U.S. 'Scheme'

SK011111 Pyongyang KCNA in English 1058 GMT
1 Apr 88

[Text] Pyongyang April 1 (KCNA)—The Secretariat of the Committee for the Peaceful Reunification of the Fatherland in its Information No. 453 March 31 denounced the open declaration of the commander of the U.S. Pacific Fleet that the United States would stage military exercises in the coastal waters of South Korea with the carrier "Midway" and other warships during the Olympic games.

The information says:

This is patent proof that the U.S. imperialists' criminal scheme to ignite a new war of aggression on the Korean peninsula is becoming more pronounced and practical with each passing day.

It must not be overlooked that the U.S. imperialists plan to draw into the maneuvers the notorious carrier "Midway" which left criminal records each time they raised a war racket in the Asian-Pacific region.

It is well-known a fact that the Olympic games are not a demonstration of armed forces or an exercise of a fleet. The military exercises involving the "Midway" and many other warships during the Olympic games are a provocative act going against the idea of the Olympics.

Frequent war exercises are bound to lead to the outbreak of a war. If a war broke out in Korea, the U.S. imperialists and the South Korean puppets would not go scot-free.

VNS: Olympics Should Not Hinder Reunification
SK010138 (Clandestine) Voice of National Salvation
in English 0030 GMT 30 Mar 88

[Unattributed article: "Olympic Games Should Not Hinder Korea's Reunification"]

[Text] Attention at home and abroad is now focused on whether a breakthrough for reunification is made through the cohosting of the 24th Olympic games scheduled for this September, or whether the tragedy of national division is aggravated by Seoul's unilateral hosting of the Olympics.

The South Korean people demand that South and North Korea cohost the Olympics to provide a condition for reconciliation and trust between the two sides. They say that reunification is more important than the Olympics.

This year North Korea proposed a South-North joint conference to be attended by government authorities, representatives of political parties and social organizations, and individuals from all walks of life to discuss primary questions of removing distrust and misunderstanding created between South and North Korea. They would also discuss making a breakthrough in dialogue and peaceful reunification, including South and North Korea's cohosting of the 24th Olympic games.

The International Olympic Committee directs careful attention to the problem of South and North Korea's separate hosting of the 24th Olympic games. This was prompted by its intention to tide over the crisis of uneasiness, mutual distrust, and division created within the Olympic movement due to the 22d Moscow Olympics and the 23d Los Angeles Olympics. This was also prompted by its respect for the desire of the Korean people and the peace-loving people of the world for Korea's peace and peaceful reunification, and their desire for the South and North Korea's cohosting of the 24th Olympic games.

The problem of cohosting the Olympics has not yet been settled. On the contrary, tension on the Korean peninsula has been aggravated due to the Olympics. The designation of Seoul as the venue for the 24th Olympic games is a product of the U.S. imperialists' two Koreas policy. The U.S. imperialists spurred the No Tae-u group to host the 24th Olympic games. This was done to freeze the division of Korea, to make South Korea a permanent colony and nuclear forward base for aggression against Asia, and to use it to carry out their world strategy.

The No Tae-u group, the executor of the U.S. policy of perpetuating Korea's division, persists in Seoul's unilateral hosting of the 24th summer Olympics in order to beautify South Korea, which is a U.S. colony, as a sovereign state, to improve its image, and to prolong the dictatorship under the aegis of the United States. For that reason, the No Tae-u group is doggedly opposing

South and North Korea's cohosting of the Olympics. It is also making desperate efforts to abuse the Olympic games, seeing this as the best chance for South-North Korean confrontation.

The No Tae-u group could not help but participate in talks for cohosting the Olympics due to strong pressure from the South Korean people and the international community. The group, however, neglected to solve the problem, but repeated its unlawful assertions. If the Olympics are to be a festival of mankind, in conformity with the Olympic Charter in seeking friendship, peace, and unity, and moreover, with the [word indistinct] for reconciliation and unity of the Korean nation, it should be cohosted to favor peace and Korea's peaceful reunification.

However, the South Korean rulers opposed fair and impartial cohosting, and gave only a few games to North Korea. The U.S. imperialists and the No Tae-u fascist group deepened the distrust between South and North Korea by spreading a false rumor that North Korea is going to attack the South to frustrate the Olympics. On the other hand, they are going to aggravate the military confrontation between South and North Korea, and they are going to accelerate the nuclearization of South Korea due to Seoul's unilateral hosting of the Olympics.

As is already known, the U.S. aggressors intend to reinforce ground and air forces in South Korea, and carry out a large-scale naval exercise in South Korean waters with the participation of two U.S. aircraft carriers and dozens of convoys during the Olympics. They are also going to deploy more sophisticated weapons and nuclear bombs in South Korea under the pretext of Olympic security. This proves that the United States and the South Korean rulers are planning to host the 24th Olympics entirely for the permanent division of the Korean nation and the aggravation of military tension on the Korean peninsula. Under the present situation in which the United States and the South Korean rulers are seeking to abuse the Olympic games for the permanent division of the Korean nation and the aggravation of military tension, to the point of an outbreak of a nuclear war, the entire Korean nation should firmly unite under the banner of reunification and wage a vigorous struggle to thwart the maneuvers of the U.S. imperialists and the No Tae-u fascist group to use the Olympics for their sinister political purpose. The entire Korean nation should make the 1988 Olympics a grand festival of the entire Korean nation.

KCNA Criticizes Bush Statement on U.S. Troops
SK011103 Pyongyang KCNA in English 1054 GMT
1 Apr 88

[Text] Pyongyang April 1 (KCNA)—U.S. Vice-President Bush, talking about "danger of provocation" by somebody in his speech in Los Angeles on March 26, said that there would be "no change to the U.S. troops" occupying

South Korea and that the "foreign policy of the Republican Party" for implementing the "mutual defence pact" with the South Korean puppets would be maintained, according to a South Korean newspaper.

This is a brigandish outcry of the aggressor and a downright challenge to the Korean people and the world's peace-loving people calling for the withdrawal of the U.S. imperialist aggression forces for peace and peaceful reunification of Korea.

His talk about fictitious "danger of provocation" by somebody is a sophism to justify the United States' permanent occupation of South Korea and its aggressive design.

The U.S. imperialists must discard their wild design to keep hold on South Korea forever against the trend of the times, and withdraw from South Korea, taking along all their aggression forces.

Social Democratic Party on Counterpart's Stand
SK010539 Pyongyang KCNA in English 0441 GMT
1 Apr 88

[Text] Pyongyang April 1 (KCNA)—A spokesman for the Central Committee of the Korean Social Democratic Party, in his statement made to the press on March 31, expressed the expectation that the political parties, social organizations and people of all social standings in South Korea, like the South Korean Social Democratic Party, would make a resolute decision on a positive response to the proposal for the convocation of a North-South joint conference which would open a new phase for peace and peaceful reunification of the country.

He said:

The Korean Social Democratic Party sincerely welcomes and highly appreciates the agreement of the chairman of the South Korean Social Democratic Party to the DPRK's proposal for the convocation of a North-South joint conference.

We consider that if the South Korean authorities, political parties, social organizations and people of all social standings are concerned even a little about the destiny of the country and the nation, there will be no reason and ground for them to refuse to accede to the proposal of ours which proceeded from the desire to save the nation.

A good example of this is the agreement of the chairman of the South Korean Social Democratic Party to it, we think. At present, the North-South relations have grown unprecedentedly worse, while the ardent desire of the nation for detente, peace and reunification is rapidly mounting. Such reality makes it incumbent upon all the parties, groupings and people of all strata in South Korea to come out with courage to a square for nationwide dialogue.

South Reported Purchasing Arms From UK
SK311524 Pyongyang KCNA in English 1511 GMT
31 Mar 88

[Text] Pyongyang March 31 (KCNA)—The British defence minister who made a trip to South Korea signed on March 28 a "note" on arms sales to the South Korean puppets, according to the British newspaper DAILY TELEGRAPH.

British arms sales to South Korea increased sharply in the last one year. Some time ago a British company made with the South Korean puppets a contract on selling weapons worth 9 million pounds, the newspaper added.

The South Korean puppets are planning to buy weapons from other West European capitalist countries.

Facts show that the No Tae-u military hooligans are getting frantic in their war provocation moves against the North under the manipulation of the U.S. imperialists.

WHO Gerontology Center Opens in Pyongyang
SK011100 Pyongyang KCNA in English 1051 GMT
1 Apr 88

[Text] Pyongyang April 1 (KCNA)—The geriatrics and gerontology joint research centre of the World Health Organisation has been established in Pyongyang, the capital of the Democratic People's Republic of Korea.

The inaugural meeting of this centre was held yesterday at the Red Cross General Hospital of Korea.

Reporting to the meeting, Choe Chon-hyon, chief of the centre, said that the World Health Organisation designated the Red Cross General Hospital of Korea as its geriatrics and gerontology joint research centre on the basis of its analysis of the development of geriatrics and gerontology in Korea.

Korean scientists made congratulatory speeches there and a congratulatory message from the director of the regional office for Southeast Asia of WHO was introduced.

Present at the meeting were Kim Yong-ik, vice-minister of public health, Kim Chong-ki, president of the Korean Academy of Medical Science, and other officials concerned and scientists and technicians of scientific, educational and public health organs in the city.

Invited there were Evan Melder, acting representative of the United Nations Development Programme to Korea, press officials of foreign embassies and foreign correspondents in Pyongyang.

Kang Song-san Attends Meeting at Kim Chaek Mill
SK280940 Pyongyang Domestic Service in Korean
2200 GMT 25 Mar 88

[Excerpts] The WPK Central Committee extended appreciation to the working class and to three revolution work team members who are achieving labor feats in the second-stage expansion work of the Kim Chaek steel complex, as well as to the functionaries and supporters who were mobilized to carry out political work. [passage omitted]

Yesterday, a meeting to adopt resolutions to repay the appreciation of the WPK Central Committee with loyalty was held on the spot.

Present at the meeting were Comrade Kang Song-san, member of the WPK Central Committee Political Bureau, responsible secretary of the North Hamgyong provincial party committee, and chairman of the North Hamgyong Provincial People's Committee; Choe Kitong [name as heard], chairman of the North Hamgyong Provincial Administrative and Economic Guidance Committee; other relevant officials together with builders, supporters, and the three revolutions work team members who were mobilized in the expansion work; and functionaries who were carrying out political work.

Comrade Kang Song-san conveyed the appreciation of the WPK Central Committee during the meeting. A report by Comrade Kang Song-san was followed by a debate on resolutions. [passage omitted]

Meeting Marks Kim Il-song's 1,000 Ri Journey
SK010455 Pyongyang KCNA in English 0425 GMT
1 Apr 88

[Text] Pyongyang April 1 (KCNA)—A central meeting marking the 65th anniversary of the great leader Comrade Kim Il-song's entrance into the Changdok school after his "1,000-ri journey for learning" was held in Pyongyang on March 31.

At the meeting, Chairman of the Central Committee of the League of Socialist Working Youth of Korea Choe Yong-hae made a report. He said:

Comrade Kim Il-song, when he was 11, set out on a 1,000-ri journey from Badaogou to his home village, Mangyongdae, in March 1923, upholding the noble idea of his father Kim Hyong-chik that one should know well of one's country first of all.

After arriving at his native land, Comrade Kim Il-song entered the time-honored Changdok school on April 1, 1923, with a noble intention to study the language and history of Korea and experience the realities of the homeland.

His "1,000-ri journey for learning" and entry into the Changdok school are of profound significance for the bright future of our nation and the future development of the Korean revolution.

This brilliant course was a significant one in which Comrade Kim Il-song acquired the noble ideological and moral traits as a great revolutionary.

The great leader Comrade Kim Il-song said:

"The Changdok school is an impressive school where I received first education in our country. Whenever I recalled Chilgol and the Changdok school during the anti-Japanese armed struggle, I gained great strength."

The "1,000-ri journey for learning" made by Comrade Kim Il-song was the first step in the protracted and glorious, historic course to bring our people the resurrection of the nation and the liberation of the country and open a new era of national prosperity and development in Korea. It was an immortal footprint which heralded a new history of modern Korea.

The "1,000-ri journey for learning" and the Changdok school are today shining as immortal historic records and a school of revolutionary education which greatly encourage and lead our people and youth and children to accomplish generation after generation the revolutionary cause of chuche under the wise guidance of dear Comrade Kim Chong-il.

Dear Comrade Kim Chong-il this time initiated the excursion of the "1,000-ri journey for learning" made up of excellent pupils of senior middle schools from across the country, the first of its kind in our country, on the lapse of 65 years since Comrade Kim Il-song made the journey and entered the Changdok school, and did them great favours by sending them gifts and a congratulatory message.

Present at the meeting were Pak Song-chol, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-president of the DPRK, and other officials concerned.

Daily on WPK Work To Defend, Develop Chuche
SK311045 Pyongyang KCNA in English 1033 GMT
31 Mar 88

[Text] Pyongyang March 31 (KCNA)—NODONG SIN-MUN Thursday dedicates a signed article to the sixth anniversary of the publication of "On the Chuche Idea", a treatise of dear Comrade Kim Chong-il (March 31, 1982).

The article says in part:

The ever increasing attraction and vitality of the *chuche* idea are unthinkable apart from the creative theoretical activities of our party that defends and develops in depth the *chuche* idea.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau, and secretary, of the Central Committee of the Workers' Party of Korea, said:

"The theoretical activities of our party that has originally clarified revolutionary principles and ways to meet the demands raised by the revolutionary practice of our time, constitute a brilliant example in adhering to the revolutionary principles of Marxism-Leninism and developing the revolutionary theory of the working class onto a new, higher plane."

The treasure-house of the *chuche* idea is enriched by the creative ideological and theoretical activities of our party.

These ideological and theoretical activities of our party are characterised, first of all, by the fact that they are run through with thorough continuity.

Our party, firmly adhering to the ideas, theories and policies historically set forth by the great leader Comrade Kim Il-song, has exerted great efforts to applying them better in the reality.

Our party steadfastly adheres to continuity in evolving the theory on the revolution and construction, the theory on the method of leadership.

The activities of our party breaking a new ground in the development of revolutionary idea are also characterised by the fact that they are evolved on the basis of the methodology of *chuche*.

The ideological and theoretical activities of our party are consistently run through with the methodology of *chuche* by which all the ideological and theoretical questions are solved with men, masses of working people, as centre.

On the basis of the methodology of *chuche* our party profoundly clarified that the essential superiority of the socialist system lies in that all people form an eternal socio-political organism, freed from all sorts of exploitation and oppression, and live independently and creatively, sharing life and death, sweets and bitters.

Another important characteristic of our party's ideological and theoretical activities lies in a comprehensive manner of evolving in an allround way ideas and theories covering all domains.

Our party's ideological and theoretical activities involve all aspects of idea, theory and method of *chuche*.

The comprehensive nature of our party's ideological and theoretical activities is found in evolving theories on all fields with rich contents.

In evolving the idea and theory on a field, our party proves it in a logical and historical manner, and ensures the richness of their contents, combining them with the established theories.

South Korea

UNC Rejects North's Protest on 'Team-Spirit'

SK011108 Seoul YONHAP in English 1053 GMT

1 Apr 88

[Text] Panmunjom, Korea, April 1 (YONHAP)—The United Nations Command (UNC) on Friday flatly rejected North Korea's persistent complaints about the annual South Korea-U.S. military exercises known as Team Spirit and accused North Korea of using the Military Armistice Commission as a stage for publicizing its fabricated propaganda in a bid to disrupt the 1988 Seoul Olympics.

We reject any implication that our side's exercise has any purpose other than to deter and to prepare to defend the Republic of Korea against external aggression, said Rear Adm. William T. Pendley, a senior UNC delegate to the Military Armistice Commission.

In the 442nd military armistice meeting at the truce village of Panmunjom, the U.S. rear admiral told his North Korean counterpart Maj. Gen. Yi Tae-Ho that if there is tension on the peninsula, it is caused by your side—by your actions in sinking fishing boats and blowing up civilian airliners...by your constant propaganda such as we can see at these meetings designed to create tension. The meeting that lasted about three hours was called at the request of the North Korean side.

It is part of your effort to undermine the Olympics and it is the only way you can attempt to explain to your people why they must do without and sacrifice so that your government can spend more than 25 percent of its gross national product on an oversized war machine, Pendley said.

This year's Team Spirit was the 13th such routine annual training exercise, Pendley said, adding that these exercises are conducted every year at the same time, are publicly announced well in advance and are openly held.

The UNC delegate called on his North Korean counterpart to first accept the UNC's proposal for an agreement on mutual prior notification and observation of major military exercises if North Korea is really anxious to reduce tensions on the peninsula and is concerned about military exercises as it claims to be.

The UNC has given prior notification to the North Korean side for each of the Team Spirit exercises since 1982 and offered North Korea the chance to observe the exercises, along with the four principal neutral nations supervisory commission members. North Korea, however, has rejected the invitation to send observers.

As part of a realistic and effective approach to reducing tensions in the demilitarized zone separating the two Koreas, the U.S. rear admiral repeated his call for the elimination of all propaganda signs within the demilitarized zone, resumption of the joint observer team to investigate charges of serious armistice violations, and establishment of a workable system to verify that both sides are complying with the armistice terms signed in 1953 at the end of the three-year Korean War.

Government Announces Kwangju Incident Measures

Apologizes to Kwangju Citizens

SK010410 Seoul Domestic Service in Korean
0200 GMT 1 Apr 88

[Report by correspondent Nam Sung-uk]

[Text] The government has termed the Kwangju situation part of the efforts for democratization by Kwangju students and citizens. It also noted that it apologizes not only to the victims, but also to the Kwangju citizens and to the people in general for the fact that satisfactory solutions to the Kwangju situation have not been effected, even though 8 years have passed since the incident took place. The government has further decided to establish and operate, respectively, a government-level central council that will decide upon and put into practice various measures to satisfactorily resolve the Kwangju situation, and an on-the-spot council that will provide measures suitable to real circumstances in Kwangju.

Government spokesman Chong Han-mo, minister of culture and information, this morning stated this in an announcement on healing the Kwangju situation, after the conclusion of a cabinet meeting. He also noted that, at the recommendation of the Democracy and Reconciliation Council, to immediately heal the wounds of the Kwangju situation to achieve national reconciliation, the government will receive reports on whether there were other persons killed or wounded in addition to the known casualties.

The government also stated it will aid the bereaved families of those killed and injured; that to effect this, it will employ its budget and donations from people who will join in the effort to heal the Kwangju situation; and that it will aid children of the bereaved families to find employment in an effort to alleviate, to the maximum degree, the difficulties facing bereaved families and those injured.

The government also said it will help make the Mangwol-dong Cemetery a park and that it will help construct a memorial tower if plans for this are mapped out. It further stated it will provide the same amount of money—money that was collected in an effort to heal the Kwangju situation and money that was used to build the Kwangju Children's Park—from the government budget, and that it will utilize it to heal the Kwangju situation.

The government also commented that to efficiently implement this proposal for healing the Kwangju situation, it will soon establish a central council whose chairman will be the prime minister. The members of this council will be the deputy prime minister; the ministers of internal affairs, justice, health and social affairs, and culture and information; and other relevant ministers. It said this council will decide upon and effect government measures. The government will also establish an on-the-spot council headed by the mayor of the directly controlled city of Kwangju, and that this council will suggest and effect measures suitable for healing circumstances on the spot.

The government further noted it would be very desirable to establish on the spot, in addition to the government-level councils, a private organization composed of representatives of the victims and persons from all walks of life in Kwangju. This private organization would serve as a channel for negotiations with government organizations.

The government urged the victims, the citizens of Kwangju, and the people in general, at a time when 8 years have passed since the Kwangju situation took place, to join in the efforts to achieve greater national reconciliation, to ensure that everyone's honor is respected by healing the wounds with magnanimity in which each side is understood and forgiven.

YONHAP Analyzes Decision

SK010916 Seoul YONHAP in English 0857 GMT
1 Apr 88

[News analysis]

[Text] Seoul, April 1 (YONHAP)—In a striking departure from the position of the Fifth Republic, led by former President Chon Tu-hwan, on the 1980 civil disturbance in Kwangju, the government Friday redefined the incident as part of the efforts to democratize the nation and also made a formal apology.

Although it is not yet clear whether the reconciliatory measures designed to heal the scars of the Kwangju incident will be accepted by the citizens of Kwangju, observers see that the government's measures will at least constitute a turning point toward a breakthrough in settling the divisive issue, which is seen as one of the most tragic incidents in modern Korean history.

The measures, announced by Culture and Information Minister Chong Han-mo, included the government's apology, a redefinition of the incident, compensation for victims and the formation of official and private organizations concerned with the matter.

The most significant of the steps is the government's redefinition of the incident as democratization efforts by the students and citizens of Kwangju. The government of the Fifth Republic labeled the bloody incident a riot and those involved as rioters.

The measures announced Friday did not, however, include a reinvestigation of the incident or the punishment of those responsible, both of which have been major demands of Kwangju citizens.

By redefining the incident and making an apology, the government revealed an attitude of moving one step forward from the previous administration.

The government feels it is regrettable that nearly 200 citizens, policemen and soldiers died in the Kwangju incident and that a large number of people were injured while many others suffered distress, the announcement said.

The government spokesman said that the government expresses its sorrow not only for the victims but Kwangju citizens and all the Korean people over the fact that there has been no satisfactory settlement of the incident even though nearly eight years have passed since the incident broke out.

The incident's redefinition marks a change in the government's attitude by admitting the mistakes of the previous administration and restoring the honor of Kwangju citizens.

It is understood that the measures, intended to resolve the aftermath of the Kwangju incident, constitute President No Tae-u's effort to sweep away the legacies of the former government.

During his presidential campaign last year, No pledged that he would restore the honor of Kwangju citizens by redefining the incident, making a formal apology and offering compensation. No succeeded Chon on Feb. 25.

The government has also said it will receive additional reports on dead or injured Kwangju citizens who were not included on the list of casualties and provide compensation measures.

According to the official count, nearly 200 people were killed during the 10-days of turmoil which included harsh suppression by the police and military. However, many citizens in Kwangju and other critics maintained that the death toll was much higher than the official figure.

Despite the government's measures, it is expected that substantial difficulties will arise in resolving the incident.

The government's measures fall short of some demands made by Kwangju citizens. The foremost demand by Kwangju citizens is a thorough investigation into the incident and punishment of those responsible.

Further on Chon Kyong-hwan, Saemaul Affair

Chon Imprisoned in Seoul

SK010225 Seoul THE KOREA TIMES in English
1 Apr 88 p 3

[Text] Former Saemaul chairman Chon Kyong-hwan, 46, was put into Seoul Prison after being arrested for alleged malfeasances at 2:20 a.m. sharp yesterday about 40 hours after the interrogation started.

Sarcastically stigmatized as the "godfather" of the Saemaul irregularities and corruption, Chon Kyong-hwan was dragged out of the interrogation chamber by grim-faced investigators with his hands manacled at 1:50 a.m. yesterday.

A prosecutor said Chon Kyong-hwan showed signs of repentance and regretfulness not as a brother of former president Chon Tu-hwan but as a common man.

The former chairman was quoted as having said that he felt indescribably sorry for having caused his brother Chon Tu-hwan so much concern.

The ex-president Chon is currently touring the United States with his wife Yi Sun-cha.

The prosecutor said Chon seemed to be choking down his overflowing emotion when he said in a low voice "I would have tried to live with what I am, a son of a poor farmer."

He was learned to have asked how long he must wait for the court warrant to be issued and where he would be physically detained.

He asked the prosecution officials to let him meet his close aides who were also arrested before being put into detention.

Chon was allowed to meet his aides Mun Chong, 44, former public relations chief of the Saemaul headquarters; Son Chu-yun, former accounting section chief of the Sports Promotion Association, and Chong Chang-hui, 47, former accounting chief of the Saemaul center.

When they came into the investigation chamber looking haggard and crestfallen, the official said Chon shook their hands by turn and he consoled them by saying, "You have gone through great hardships because of me."

Chon who will stand trial with his aides looked quite emaciated and gaunt due to investigators' continued grilling day and night.

He voluntarily reported to the Prosecution-General's office on Tuesday morning.

Seemingly remorseful and desperate, Chon dropped his head without a word when an army of photographers flashed their cameras in his face.

He wore the same white-striped black businessmen's suit as he donned when he turned himself into the law enforcement authorities.

Guided by plainclothes policemen, he came down to the first floor of the building by the VIP elevator from the investigation room on the 15th floor.

Asked how he felt at the first floor, Chon replied tersely "I feel very sorry to the people."

When asked whether he conceded all counts of his alleged crimes on the arrest warrant, he answered that he could not say because he was beside himself.

He was led into the back seat of a Stellar carrying the license number plate Seoul-2-RO-8010 parked in the front court of the law enforcement authorities building.

Two investigators took a seat beside him.

The vehicle sashayed out of the gate of the Prosecutor-General's office at 1:50 a.m. bound for the Seoul detention house, Sihung-dong, Kyonggi-do.

The car arrived at the prison at 2:20 a.m. cruising the night streets through the Municipal plaza, the 3rd Nam-san tunnel and then Tongjak Bridge on the Han River.

An investigator who accompanied Chon said he closed his eyes and shut his mouth the whole way to the detention house which he could hardly imagine in the past.

DJP, Opposition Issue Statements
SK010245 Seoul THE KOREA HERALD
in English 1 Apr 88 p 2

[Text] The ruling and opposition parties yesterday issued statements following the arrest of Chon Kyong-hwan, calling for a thorough investigation to help alleviate the people's misgiving over the Saemaul Undong scandal.

Choe Sang-chin, spokesman for the ruling Democratic Justice Party's campaign headquarters, said, "Chon's arrest is a manifestation of our firm determination that there can be no sacred place as far as investigation of malpractices is concerned."

"The party and its 3 million members are renewing their pledge to take the lead in preventing the recurrence of such a scandal in the Sixth Republic."

The DJP urged the investigative authorities to do their utmost to clear all the misgivings about the Saemaul Undong scandal.

Opposition parties expressed suspicion that the government might be attempting to cover up massive crimes behind the scandal.

"Chon was summoned only 10 days after the investigation began, and the prosecution announced that he is charged with embezzling only 7.8 billion won. We cannot help suspecting that the government is again ridiculing the people by covering up the crime," said Kim Tae-yong, spokesman for the Reunification Democratic Party.

"All the facts must be established before the people and history," he said, adding Chon is suspected by the public of having embezzled hundred of billions of won.

The New Democratic Republican Party [NDRP] argued that the people are increasingly doubtful about whether the government is truly determined to disclose all the facts concerning the Saemaul Undong scandal.

"The investigative authorities arrested Chon 10 days after his return from his flight to Japan, giving him the time and opportunity to destroy the traces of his crime. Moreover, the prosecution is charging him with embezzlement of only about 7 billion won," said NDRP spokesman Cho Yong-chik.

"These are fanning public misgivings concerning the intention of the government," he said.

He went on to call for the expansion of the investigation to include possible influence peddling and involvement of former President Chon Tu-hwan and President No Tae-u, who once served as home minister under the Fifth Republic.

DJP 'Relieved' by Chon's Arrest
SK010155 Seoul THE KOREA TIMES in English
1 Apr 88 p 2

["Press Pocket" column: "DJP in Relief"]

[Text] The prosecution arrest of former president's brother Chon Kyong-hwan yesterday seemed to have much relieved the ruling party of a fear about the potentially grave impact the financial scandal will have on the coming elections.

Rep. Chae Mun-sik, chairman of the Democratic Justice Party, said he hopes that the law enforcement authorities settle the issue "as soon as possible."

"The arrest is the first formal action against the currently serious social problem. We hope that the prosecution authorities will clear away all suspicion as soon as possible," he said.

He further said, "Our position is to bare the true pictures of all the past irregularities. By doing so, we will free ourselves from the mistakes of the past."

DJP executives have so far preserved a clear-cut stance on the delicate scandal involving the brother of Chon Tu-hwan, founder of their party.

Yet they have been greatly concerned about the adverse impacts of the problem on the April 26 elections.

Many DJP candidates have been afraid that the scandal would affect the long-enjoyed popularity of the ruling party among rural voters.

A party executive said, "We actually have felt it inevitable to get tough with the scandal. But you know we could not call for his (Chon's) punishment openly."

He cited the prosecution's procedures as "appropriate," adding that it is desirable for the people to have suspicion about the scandal no more.

The executive denied as "groundless" a series of foreign media's speculation that the probes of the Chon case is a part of the new administration's efforts to cut the link with the preceding regime.

He just interpreted it as the implementation of President No Tae-u's pledge during December campaigns that there would be no taboos in the eradication of irregularities and corruption.

Rep. Choe Sang-chin, who acts as spokesman for the parliamentary campaigning headquarters, issued a formal statement in which he said that the new administration refreshes its commitment to "clean hands" on the occasion of Chon's arrest.

RDP Says Probe Being Limited

SK010518 Seoul YONHAP in English 0456 GMT
1 Apr 88

[Text] Seoul, April 1 (YONHAP)—South Korea's major opposition Reunification Democratic Party (RDP) charged on Friday that the government and its party have limited the corruption scandal allegedly involving the younger brother of former President Chon Tu-hwan.

Acting RDP President Kim Myong-yun told a news conference that the government reduced the money involved in the scandal from more than 100 billion won (134 million U.S. dollars—one U.S. dollar is worth about 745 won) to several billion won.

Chon Kyong-hwan, 46, former head of the Saemaul Undong (New Community Movement) Headquarters, was placed under arrest Thursday by the prosecution on charges of embezzling 7.8 billion won in public funds, tax evasion and other illegal practices in order to amass a fortune in cash, land and stocks.

Kim denounced the government and its party claiming that the ruling camp is deceiving the nation by elaborately manipulating the alleged corruption under the previous government as part of its strategy for the parliamentary elections slated for later this month.

Saying that the scandal involving the younger Chon could have been prevented if a healthy opposition party had blocked the corruption and abuse of power by those then in power, Kim appealed for national support for the RDP in the general elections.

The acting RDP president accused the ruling Democratic Justice Party of stealing its victory in the presidential election last December through fraud and warned against a repetition of similar practices in the upcoming assembly elections.

Kim further said that an RDP victory in the general elections is the only way to check the government of President No Tae-u.

Prosecutor Comments on Findings

SK010233 Seoul THE KOREA TIMES in English
1 Apr 88 p 3

[Text] The prosecution will continue to investigate Chon Kyong-hwan's alleged capital diversion overseas to the United States and Australia even after the termination of the initial probe into the Saemaul case, said a senior prosecutor of the Prosecutor General's Office yesterday.

In a press conference held shortly after the announcement of the results of the initial probe into the Saemaul irregularities involving Chon, Kang Won-il, senior prosecutor of the Central Investigation Department, said, "The prosecution will make a fresh investigation into whatever charges against Chon may arise in the days to come."

Admitting that it was widely rumored that Chon invested a large sum of money in buying real estate in the United States and Australia, he said, "The prosecution will make every effort to unearth evidence in connection with every suspicion harbored by the people."

As for the controversial "Saemaul donations" by private enterprises, Kang revealed that the donations were received by Chongwadae which, in return, issued receipts to the business firms.

Then, the business firms recorded the amounts they donated on account books to have the money deducted from taxation.

Chongwadae, in turn, provided the Saemaul Headquarters with the donated money. The practice continued during the period of the Fifth Republic, according to the senior prosecutor.

There were also a few cases in which Saemaul Headquarters directly received the private donations. But, in those cases, the headquarters had to report the donations to Chongwadae which also issued receipts for the sums.

So, it was nearly impossible for Chon to have an opportunity to embezzle money from the donations, according to Kang.

The senior prosecutor said that the total amount of money Chon appropriated amounted to 13.7 billion won. Of the sum, the origin of 4.7 billion won was not yet identified.

Chon spent most of the "secret funds" in the construction of a Saemaul training institute on Yongjong-do, purchases of buildings and land and provision of scholarships for the Leaders Fostering Foundation.

The prosecutor said that there is little problem to Chon's official Saemaul activities. What matters and is subject to investigation is his private activities, some of which constitute crimes impeachable by law, the senior prosecutor added.

Following are the questions and answers exchanged between prosecutors and reporters.

Q. Did the prosecution conduct a probe into the scale of properties privately owned by Chon?

A. No, the prosecution did not. Because it is a private affair not included in the category subject to criminal investigation. In this context, we did not trace the process of any property increase from 1980 and 1987.

Q. When was it that you got a decisive clue to indicate criminal nature of the scandal?

A. It was when the headquarters withdrew 350 million won from a bank to use for a Saemaul sports organization and deposited the same amount in the bank hurriedly just before an inspection by the government.

Q. What was the main source of the "secret funds" used by Chon?

A. The "hen that lays the golden eggs" was SAEMAUL SINMUN, a weekly subsidized by the Home and Culture-Information ministries. The paper reaped a handsome profit of as much as 8.8 billion won. Of the money, Chon used 3.1 billion won—530 million won in purchasing a large tract of land in Kayang-dong, southwestern Seoul, and the remaining sum in other projects.

Q. Would you elaborate on Chon's investment in real estate besides the land in Kayang-dong?

A. He bought Inchang building near the Kangnam Express Bus Terminal in Sinsa-dong, southern Seoul, for 7.5 billion won, the SAEMAUL SINMUN lot for 530 million won and a large tract of land in Sihung-dong, southern Seoul, for 400 million won, to name the deals confirmed so far.

Q. Did you conduct investigation into Kim Chin-taek, a close aide of Chon who reportedly holds the key to almost all of the Saemaul irregularities and fled to a Latin American country just before the prosecution probe into the headquarters?

A. Yes. The prosecution probed him, but he is not so important a figure as the press reports. He only played an active role in the development of Yongjong-do.

Q. Is there any other case of Chon's diversion of money from the Saemaul National Fund besides the 2.1 billion won he illegally withdrew from the Hanil Bank?

A. No. That was the only misappropriation as far as the national fund subsidized and managed by the government is concerned.

Q. Why didn't you punish criminally the government officials allegedly involved in the dubious Saemaul projects?

A. So far, the prosecution has found no clear evidence incriminating the officials.

Prosecution Summarizes Findings

*SK010213 Seoul THE KOREA HERALD in English
1 Apr 88 p 1*

[Text] Chon Kyong-hwan, younger brother of former President Chon Tu-hwan, embezzled or evaded taxes amounting to nearly 8 billion won, the prosecution announced yesterday.

Prosecutor Kang Won-il said Chon misappropriated 6,540 million won, evaded taxes totaling 1 billion won and took 247 million won from businessmen in return for favors.

Chon, ex-chancellor of the Saemaul Undong (New Community Movement) Headquarters, is specifically alleged to have misappropriated 2,550 million won from the SAEMAUL SINMUN, a weekly supported by Saemaul, 2 billion won from Saemaul's national fund, and 350 million won from its sports fund.

The alleged embezzlement took place between October 1982 and April 1987, the prosecutor said.

Chon used most of the money to purchase real estate, the announcement said.

Responding to reporters' questions, the prosecutor said no evidence has so far turned up to support the allegation that Chon Kyong-hwan diverted capital to Australia, the United States and other countries for the purchase of real estate.

He said there are "a lot of technical difficulties" to investigate the allegation.

Chon evidently requested the government to import 20,000 more cattle from Australia in 1982, according to prosecutor Kang. The ex-Saemaul leader, however, did not pocket any money from the sale of the cattle to farmers by the Home Ministry Kang said.

Chon was arrested about 2:20 a.m. yesterday on six charges, including embezzlement, influence-peddling, tax evasion and illegal reclamation of public and private land.

Eight other officials of the Saemaul Headquarters have also been arrested, three yesterday, in connection with the Saemaul scandal.

Following is a summary of the prosecution announcement:

—Misuse of Saemaul funds

Chon used 400 million won donated to the Saemaul Headquarters by Korea Investment & Finance Corp., to buy a hill for speculative purposes Oct. 15, 1985.

In March 1987, he lent 290 million won from the Saemaul sports fund to Yi Kil-yo, owner of Kil Hospital in Incheon.

He borrowed 2 billion from the Hanil Bank on April 20 last year in the name of the Saemaul Headquarters and used it as key money to buy the Inchang building near the Seoul Expressbus Terminal.

—Embezzlement of Saemaul donations

Chon did not misappropriate Saemaul donations from businesses and the public. Donations to the Saemaul Movement between 1981 and 1987, totalling 27.8 billion won, were all deposited as Saemaul funds.

—Embezzlement of Saemaul leaders' overseas travel expenses

Investigation is continuing into allegations that Chon embezzled 680 million won from travel expenses for Saemaul leaders going on overseas training tours during 1981-87. (most of the Saemaul leaders went to Taiwan.)

—Uproar about imported cattle

Chon suggested the Ministry of Agriculture, Forestry and Fisheries import 20,000 head of cattle from Australia in February 1982 to support Saemaul. The idea came from Pak Chang-won, former head of Saemaul's Kyonggi-do branch. Pak told Chon that the imported cattle could be distributed to Saemaul leaders to strengthen their dedication to the movement.

Pak reportedly said that both Saemaul and its leaders would benefit because they could buy the cattle at below market prices and make 10 billion won for Saemaul funds by selling them at higher than imported prices.

The ministry then changed its plan to import 50,000 head of beef cattle and decided in 1983 to bring in 70,000 head. The extra 20,000 head were sold to Saemaul leaders by the Ministry of Home Affairs. The 10 million won proceeds from the sale of the 20,000 head was channeled into the fund for the promotion of the livestock industry, as was the money from the sale of the other 50,000 head.

Chon neither exerted influence on the ministry nor was bribed in the course of importing the Australian cattle.

—Yongjong-do Saemaul training center

Chon and his aides misappropriated 600 million won from the Saemaul Sinmun to build a Saemaul training center on Yongjong Island off Incheon. He reclaimed 548,000 square meters of Yongjong-do's coastline without permission between July 1985 and December 1986.

The diversion of 400 million won from the Leaders Fostering Foundation to construction of the Chongsongwon Institute for the mentally and physically handicapped was not a crime and the diversion is seen as proper.

—Chongsongwon Institute

Chon illegally diverted 100 million won from the Saemaul Sinmun to construct the institute on Yongjong-do.

Of 1,293 million won deposited under the name of a committee to support Chongsongwon, 200 million won was a bribe from Chong Kyu-song, owner of the Cosmos Department Store.

Investigation is under way into the sources of the remaining 1,093 million won.

—Night Market

Chon did not embezzle the proceeds from the temporary Night Market organized by the Saemaul Women's Club six times from 1983 to 1987.

—Diversion of public funds from the Korea Overseas Development Corp.

Chon did not illegally withdraw 51.9 million won of KODC money set aside for oversea travel expenses and did not use it for himself and Saemaul officials. As an appointed director of the corporation, he legitimately spent the money to send his subordinates to Argentina and Costa Rica and to invite officials from the two countries in a bid to expand agricultural investments and emigration there.

—Chong Ky-song, head of the Cosmos Department Store in downtown Myong-dong.

Chon received 200 million won from Chong in return for influencing the Ministry of Finance and court in a pending civil suit concerning the management of the Hyatt Regency Seoul in 1986.

—Public auction of forest land in Ulsan City.

The land was auctioned while Chon was head of the Korea Leaders Fostering Foundation (not the Leaders Fostering Foundation).

Kim Pyong-ki allegedly asked Chon to use his influence in the bidding. Chon denied the allegation. The prosecution has arrested Kim and two others on charges of obstructing the bidding and giving bribes. Probe is underway to determine whether Chon was involved.

—The prosecution is continuing its investigation into other allegations involving Chon:

—Whether he peddled his influence in the issuance of a construction permit for the Taegu Park Hotel, and obtaining bank loans for the construction of the hotel.

—Whether there were irregularities with regard to the import of a second-hand cargo ship for use as a "floating camp" for Saemaul trainees.

Reinvestigation Ruled Out

SK010241 Seoul THE KOREA HERALD
in English 1 Apr 88 p 3

[Text] The prosecution said yesterday it will not reinvestigate alleged irregularities committed during the previous Chon Tu-hwan government.

Senior prosecutor Kang Won-il, acting chief of the Central Investigation Department of the Prosecutor General's Office, said there is no need to reopen previously controversial cases, including a massive financial scandal involving Yi Chol-hui and his wife Chang Yong-cha.

"It is impossible to reinvestigate the so-called Yi-Chang fraud case which happened during the previous government, because trials on it were already completed," Kang said.

Yi, an ex-Army brigadier general, and his wife Chang were arrested in May 1982 on charges of defrauding the equivalent of 168.4 billion won in promissory notes from a construction company and five other companies in the fraud involving 30 people. They were sentenced to 15 years in jail each and are serving their prison terms.

Kang made the remarks when he announced the results of an investigation into alleged improprieties and corruption within the Saemaul Headquarters and its related organizations.

He said it was confirmed that Chon Kyong-hwan, ex-chancellor of the semi-official Saemaul Headquarters, collected a combined total of 13.7 billion won for his personal use and diverted most of the money to the development of Yongjong Island off Incheon and real estate speculation.

"The investigation into Saemaul malpractices was prompted by mounting public criticism that Chon and his associates were illegally amassing millions of dollars of wealth and peddling government patronage for their personal gain," he said.

Chon's sudden departure on March 18 for Japan fueled the suspicion about his involvement in the scandal, the prosecutor said.

Asked about the allegation that Chon diverted his personal and Saemaul funds to the United States, Australia and other foreign countries, Kang said his investigation team has not yet located evidence of the alleged capital flight because there are a lot of technical difficulties in doing so.

Kang said, "We did not find that Chon embezzled Saemaul donations after thoroughly checking books in which the amount of Saemaul donations and the names of their contributors were recorded."

According to him, people contributed money to Saemaul through the presidential residence of Chongwadae, which in turn delivered the donations to the Saemaul Headquarters after the amount of cash donations and the names of donors were recorded in books kept there.

Touching on the alleged irregularities of Kim Chin-taek who slipped out the country last month, Kang said the former director of planning and coordination of the headquarters played a leading role in unauthorized reclamation of Yongjong Island for a Saemaul training center there.

Declining to comment on the amount of Chon's personal property, Kang said the prosecution does not investigate an individual's personal property in principle.

"The prosecution investigates an individual's personal property when he or she is found to have illegally amassed his or her fortune to protect the individual's property rights," he said.

As to the possibility of further investigation into the growing scandal, Kang said the prosecution will continue a thorough and intensive probe into allegations of other irregularities and corruption to clear suspicion surrounding Saemaul and its affiliates.

"The prosecution will criminally punish all people found to be involved in any malpractices," he said.

He said 32 prosecutors and 99 other investigators in Seoul, Pusan, Taegu and Incheon were mobilized in the 10-day investigation and 218 former and incumbent officials of Saemaul, its related organizations, banking institutions, businesses and government agencies were questioned.

Further Reportage on Assembly Elections

RDP Nominees To Hold Rally

SK010305 Seoul THE KOREA TIMES
in English 1 Apr 88 p 2

[Text] Parliamentary nominees of the main opposition Reunification Democratic Party to run in the 42 districts of Seoul yesterday decided to hold a joint rally next Tuesday to censure the Saemaul scandal and other irregularities perpetrated by Chon Kyong-hwan, younger brother of former president Chon Tu-hwan.

The RDP nominees made the decision during a meeting at the Diplomatic Club restaurant yesterday morning to formulate their election strategies for the April 26 general elections.

Acting RDP president Kim Myong-yun, who will run in the Chongno district of Seoul, claimed in the meeting that the ruling Democratic Justice Party is designing a plot to revise the newly amended Constitution (to introduce a parliamentary cabinet system).

"Therefore, the government party is expected to perpetrate various election fraud and rigging in the upcoming general elections to secure as many Assembly seats as possible for the revision of the basic law," the acting RDP president said.

Kim went on, "We have no choice but to face head-on contests with the government party candidates in Seoul. When and if we turn the forthcoming elections into contests between the ruling party and our party, voters of the Seoul electorate will lean toward the RDP candidates."

The RDP candidates in Seoul also resolved in the meeting to respond jointly to the illegal election campaigns by the ruling candidates.

After the meeting, four RDP nominees including Rep. Kim Su-han and vice president Hwang Pyong-tae visited Seoul Mayor Kim Yong-nae to request his permission for the use of a spacious park in Seoul as the rally site.

Rep. Kim told reporters after a meeting with the Seoul mayor that he promised them he would allow the RDP candidates to use one of the downtown parks.

Meanwhile, the RDP yesterday announced its second batch of eight parliamentary nominees including Prof. Yi Tae-u of Pusan National University to run in the Kimjong district of pusan.

The total number of the RDP nominees thus increased to 197.

Yi Yun-ki, who was nominated as the candidate in the Songbuk district of Seoul Tuesday, was replaced by Ko In-sun, former student activist. Ex-lawmaker Yi was reported to have given up his parliamentary candidacy.

RDP Names 8 More Nominees

SK010341 Seoul THE KOREA HERALD
in English 1 Apr 88 p 2

[Text] The Reunification Democratic Party yesterday named eight more parliamentary candidates, reducing the number of undecided electoral districts to 27.

The new nominees include Prof. Yi Tae-u of Pusan University, selected for the Kimjong District of Pusan and Hong Sa-im, president of a female ex-convicts association, named for Uijongbu, Kyonggi-do.

The party will nominate a few more candidates for unsettled districts in Pusan and Kyongsang-do Provinces, but will leave the 19 districts in Cholla-do vacant.

PPD Adds 'Dissident' Nominators

SK010309 Seoul THE KOREA TIMES
in English 1 Apr 88 p 2

[By staff reporter Yi Chang-sop]

[Text] The Party for Peace and Democracy [PPD] added progressive color to its professed moderate reformist line by enlisting more than 20 dissident figures and excluding "old-time oppositionist" in the nomination of parliamentary candidates.

An analysis of the political orientation of those nominees indicates that the PPD is distancing itself from the traditional conservative line, now pursued by the rival Reunification Democratic Party.

The PPD's move toward a progressive political line had already been detected from the fact that half of the six-man nomination screening committee were extra-parliamentary oppositionists including former student activist Yi Hae-chan.

Kim Tae-chung, de facto leader of the PPD, recruited 99 dissident figures early last month to renovate the party and promised to share power between the existing PPD members and those dissidents under a collective leadership structure.

The posting of many prominent dissident figures in strategic constituencies also heralded a gradual generation change likely to happen after the general elections due for April 26.

Political observers believe that Kim Tae-chung will positively help those progressive dissident figures win as many seats as possible in the forthcoming legislative contest so that they can wage an aggressive political offensive against the No Tae-u government.

Kim Tae-chung and his party have made it clear time and again that the PPD will be all-out to implement the full local autonomy system after the elections.

In his personal belief, Kim Tae-chung has often said that until Korea implements the direct presidential election system, the one-lawmaker small constituency system and a full local autonomy, there will be no meaningful democracy at hand in Korea.

Kim now seeks to escalate the political offensive against the No Tae-u government, which has to put its popularity to a vote by national referendum or lawmakers of the 13th National Assembly after the Seoul Olympics.

As the PPD gives special favor to dissident recruits over long-time party cadre members, an internal discord is brewing to the extent that unsuccessful nominees occupied the head office, halting an official activity of the party.

PPD key post holders seek to downplay the protest action by the parliamentary aspirants who failed to get the nomination, but they worry that the prolongation of the disobedient action will disenchant the voters with the party.

Although there is internal complaint over special favor being given to the dissident recruits, there is positive analysis that if those dissident candidates win the election and enter the National Assembly, they will certainly alter the traditional operation of the House.

One political professor in Seoul said that they will give a shock to the old politicians and parliamentarians.

The PPD has decided not to field its candidate in the Chongno-ku district, the showcase district in Korea, so that it can give rival RDP candidate, Kim Myong-yun, an enhanced chance of beating the ruling camp candidate.

Pak Yong-suk, acting PPD president, said Wednesday that the PPD decided not to field its candidate in the Chongno-ku district, in apology to the people for splitting the opposition in the past presidential election. She has been pressured to run for the district by the PPD.

In order not to spoil the opposition vote, PPD has decided not to field 43 constituencies in the Kyongsang, Chungchong and Kangwon provinces where the PPD is said to be unpopular.

Dropped PPD Figures Protest

SK010339 Seoul THE KOREA HERALD
in English 1 Apr 88 p 2

[From the "Out and About" column: "Rampage of Dropouts"]

[Text] PPD headquarters was full of protesters and was littered with broken vases and doors yesterday.

Dissatisfied with Friday's announcement of nominees for the coming parliamentary election, scores of party members whose bosses were not nominated yesterday claimed the nomination was void.

On Friday night, police were called in to Kim Tae-chung's house to evict some 50 angry party members who went on a rampage protesting the nomination.

Yesterday morning, some 20 party secretariat officials declared the nomination was invalid and called for the members of the party nomination screening committee to answer allegations that they were bribed.

Yu Chong, a party adviser who was displeased that his son Yu Hun-kun was not nominated, left the party and denounced Kim Tae-chung.

The younger Yu, Rep. Yi Chin-yon and former lawmaker Kim Kyong-in also deserted the party, saying they will run as independents and denouncing the former PPD president.

'Defectors' Said To Have Foreign Currency

SK310131 Seoul THE KOREA HERALD in English
31 Mar 88 p 3

[Text] Two north Koreans who defected to the south via China and the Philippines last week were found to possess a "considerable" amount of U.S. dollars and Chinese currency, it was learned yesterday.

One of the investigators who intensively questioned Kim Chang-hwa and O Song-il about dubious points related to their defection said that the two made contradictory testimony on the money.

The investigators are from the Agency for National Security Planning, the Defense Security Command and police.

Noting that Kim and O told a news conference last Saturday upon arrival at Kimpo International Airport they left Pyongyang, crossed the Tumen River and traveled down mainland China before reaching Manila, the investigator said the U.S. currency is hardly used in the two Communist countries.

However, the investigator said, Korean expressions such as "Kamsahapnida" (Thank you) and "Isangipnida" (That's all) Kim and O used after their defection proved to be phrases that are spoken in north Korea.

Kim Man-chol and Kim Hyon-hui substantiate this.

Kim Man-chol defected to south Korea January last year and Kim Hyon-hui is the self-confessed saboteur of the bombing last November of a Korean Air jetliner.

Based on a variety of questions presented to Kim and O, investigators agreed that the two defectors' native places are part of north Korea.

Director Says North May Invade Before Olympics
SK010147 Seoul THE KOREA HERALD in English
1 Apr 88 p 2

[Text] Tokyo (AFP)—A south Korean filmmaker who escaped from north Korean captivity in 1986 says Kim Chong-il, the son of north Korean leader Kim Il-song, could launch an invasion of the south before the Seoul Olympics.

"As a man who knows Kim Chong-il's personality very well, I am really worried that the north might wage an all-out war before the Seoul Olympics," Sin Sang-ok said in an interview with the Japanese edition of PLAYBOY.

Although Kim Chong-il cannot go against his 75-year-old father, the north Korean leader "has weaker judgement now and is considerably aged," the filmmaker said in the interview published in the May issue of the monthly magazine.

Kim Chong-il, 46, "is what you may call a micro-manager and decides upon everything himself," Sin said. "It is true that he is a very bright man. He is quick-witted and sharp and he works hard."

Sin and his actress wife Choe Eun-hui were allegedly kidnapped in Hong Kong in 1978 on the orders of Kim Chong-il in an attempt to help upgrade north Korea's film industry.

They defected to the United States in 1986 during a visit to Vienna. The couple are to shortly publish an account of their eight years as captives in north Korea in Japan and south Korea.

Kim Chong-il has stood second in the north Korean leadership since 1980 when he was elected the second-ranked party secretary with high posts in the party Politburo and Military Commission.

Soviet Official Pledges 'Trouble-Free' Olympics
SK010319 Seoul THE KOREA HERALD
in English 1 Apr 88 p 1

[Text] TOKYO (AFP)—Soviet Defense Minister Dmitri Yazov has told his U.S. counterpart Frank Carlucci that the Seoul Olympics would be trouble-free with Soviet participation, the Japanese newspaper YOMIURI reported Thursday.

Yazov said that since the Soviet team would be in Seoul the Olympics would be held without trouble, the Japanese newspaper quoted a U.S. government official as saying in Washington.

The two defense chiefs met in Berne on March 16-17.

U.S. government sources told YOMIURI that Yazov's remarks could mean the Kremlin had pressured North Korea to refrain from sabotage against the games, to be held in the south Korean capital Sept. 17 to Oct. 2.

Yazov was replying to a U.S. request for cooperation in securing a safe Olympics in view of the 1983 bombing attack on a south Korean presidential delegation in Rangoon and the bombing of a south Korean airliner in November, the official said.

The two incidents have been blamed on north Korean agents although Pyongyang has denied any involvement.

North Korea has said it will boycott the Olympics unless they were "co-hosted" by the two Koreas.

South Korea and the United States have warned that the plane bombing might be a prelude to more terrorist attacks in the run-up to the largest ever Summer Olympics with a record 161 nations taking part.

Japanese Analysts View 'Problems' Facing North
SK010335 Seoul THE KOREA TIMES
in English 1 Apr 88 p 8

[Text] Tokyo (REUTER)—North Korea starts its National Assembly meeting next week under a mountain of political and economic problems which can be seen clearly even in the depths of that secretive nation, Japanese analysts said.

Political isolation, a dead-end economy, international insolvency, rumors of a leadership battle and a continuing loss of political, military and economic ground to its enemies in the south are only Pyongyang's main problems, they said.

The official North Korean news agency KCNA reported only that the third session of the Eighth Supreme People's Assembly opens in Pyongyang on April 5.

Analysts said the Assembly is little more than a rubber stamp for the policies of president Kim Il-song and his son and successor-designate Kim Chong-il.

But whether it votes or not, the problems remain.

The domestic economy is of major concern in a nation which has locked its borders to the West and is losing the unreserved support of its two traditional Communist allies, China and the Soviet Union.

"Pyongyang is facing extreme economic difficulties. If they are left unattended, the whole economy could collapse," said one Japanese official watching North Korean developments.

In a rare critique, president Kim said in a New Year speech there was "a problem of food, clothing and housing."

North Korea, which has defaulted on much of its foreign debt, is unlikely to receive any new funds to revitalize its economy, Japanese officials said.

The leadership seems determined not to liberalize the country's strictly controlled political life.

"A communique ahead of the assembly, carried on KCNA, said: 'The basic mission of our education is to train the rising generation to be dependable heirs to the revolutionary cause, (and to be) boundlessly loyal to the party and the leader.'"

A recent series of changes in the senior party ranks was a sign that all may not be well at the top, analysts said.

A cabinet reshuffle announced on Feb. 12 involved the heads of three state economic commissions, one of them being the fifth man to hold the post in two years, they said.

On Feb. 21, chief of the general staff O Kuk-yol, a known confidant of the younger Kim, was removed in favor of Choe Kwang, an officer of the old guard loyal to 75-year-old senior Kim, the analysts said.

Pyongyang watchers believe the move may be a sign the old guard is fed up with the wilder schemes some analysts say were master-minded by Kim Chong-il to undermine the south. Western diplomats in Beijing said that at a recent meeting of the North Korean politburo, veterans criticized what they called irresponsible behavior by unnamed parties which had upset Pyongyang's relations with the outside world.

Two incidents stand out. First, the 1983 assassination of South Korean politicians by northern commandos in Rangoon. Second, destruction of a South Korean airliner last November by a self-confessed North Korean agent and her accomplice.

Pyongyang denied the agent's charges but Western nations, including the United States and Japan, imposed sanctions.

Masao Okonogi, professor at Tokyo's Keio University, links these actions to a growing sense of unease in Pyongyang that the enemy in the capitalist south is winning the long battle for predominance on the divided peninsula.

"I think north-south relations have entered the biggest period of change since they began in 1948," he said.

South Korea would achieve military superiority in the 1990s and Gross National Product (GNP) was already four to five times as big as North Korea's, he said.

Won's Rise Triggers Higher Export Prices

SK010325 Seoul THE KOREA TIMES
in English 1 Apr 88 p 6

[Text] The export unit prices of Korean products rose by 10.1 percent on the average last year and the import unit prices of foreign products by 7.5 percent.

The average 10.1 percent increase in the export unit prices is attributed to efforts by domestic industries to make up for the aggravation of their export profitability due to the won appreciation against the U.S. dollar.

As the increase rate in the export unit prices was ahead of that in the import unit prices last year, the pure commodity trade condition also slightly improved.

The pure commodity trade condition means the number of foreign products to be purchased with the export of a domestic product of the same kind.

According to an analysis of the nation's trade trend last year by the Bank of Korea, the pure commodity trade condition on the 100 basis of 1985 registered 111.5, up 2.5 points over the 108.8 of the previous year.

The slight improvement of the pure commodity trade condition last year over the year before is ascribed to the fluctuations of raw materials which the nation imports.

In 1986, the import unit prices of foreign products were lowered by 6.2 percent on the average due to the price decline of raw materials.

However, last year the prices of raw materials went up, thereby bringing in a slight improvement of the pure commodity trade condition over the previous year.

Meanwhile, the income trade condition registered 154.9 last year, up 26.8 points over the 122.2 recorded the previous year, on the 100 basis of 1985.

The income trade condition indicates the total import volume to be purchased by the total export amount.

In 1986, the income trade condition recorded 122.2.

Of the increase rate in the export unit prices, textile products registered a 17-point hike, topping the list, followed by lumber (up 14.4), passenger cars (up 13.3) and chemicals (11.3). By industry, the primary industry witnesses a 12.4-point increase in the export unit prices of its products and the heavy chemical industry a 8.6-point increase.

In the case of the import unit prices, raw leather and furs rose by 20.2 points, the highest on the list, followed by lumber (up 18.7), non-ferrous metals (up 16.6) and raw textile materials (up 16.6) and raw textile materials (up 11.1).

However, the import unit prices of foodstuffs and tobacco leaves declined 7.3 points on the average.

Exporters Encountering 'Hard Times'

SK291250 Seoul YONHAP in English 1234 GMT
29 Mar 88

[By Yi Nae-un]

[Text] Seoul, March 29 (YONHAP)—South Korean export businesses are falling onto hard times due to their weakened price competitiveness stemming from the continued appreciation of the Korean won currency against the U.S. dollar.

The nation's small- and medium-sized manufacturers of such major export items as textiles, stuffed toys, electronic parts, and metal machinery and tools, are on the verge of bankruptcy, business sources said. Some of them are carefully considering changing their types of businesses.

On Tuesday, the Bank of Korea, the nation's central bank, set the exchange rate of the Korean won currency against the dollar at 746 won, marking an appreciation of 50.40 won or 6.21 percent from the start of this year.

The Korea Foreign Traders Association recently reported that the nation's woven goods shipments as of March 28 from the start of this year fell by 12 percent from the corresponding period of last year. Woven goods shipments amounted to 3.37 billion U.S. dollars last year, up about 32.2 percent from a year earlier.

Shipments of textile goods, which increased by 37.4 percent last year from the previous year, have increased by less than 5 percent during the cited period of this year.

An official at Samdo Trading co., which shipped 280 million dollars worth of textile goods last year, said that his company will be forced to suspend operations if the exchange rate of the won against the greenback falls below 700 won.

Korean makers of such daily commodities as fishing rods and bags increased their shipments to 1.19 billion dollars worth last year, up about 39.7 percent from the previous year. This year, however, they managed only to maintain the level of last year's export amount.

Exports of daily commodities will surely be hit hard by the continued appreciation of the won, officials at the commodity firms forecast. We are surely facing severe difficulties from the weakened price competitiveness beginning the second half of this year.

Shipments of stuffed toys, which increased by 48.2 percent from 1986 to 1.08 billion dollars worth in 1987, fell by about 5 percent as of March 28, beginning at the start of this year, from the same period of last year.

Officials in stuffed toy industries said that buyers are expected to diversify their purchase sources from domestic makers to foreign firms in the second quarter of this year. They also said that a rush of bankruptcies will be inevitable in the third quarter of this year.

Hyundai Motor Co., which has drawn up a plan to ship 460,000 units this year, up 60,000 units from last year, forecast that its goal is not expected to be accomplished due to the appreciation of the won against the dollar.

Shipments of electric and electronic products are also expected to suffer because of the won's appreciation. For the first three months of this year, however, shipments of electric and electronic products are up about 30 percent. Korea's exports of the items rose by 52.4 percent to 11.61 billion dollars worth last year from the previous year.

Electric and electronic businesses forecast that a wave of bankruptcies and suspended operations are expected in the third quarter this year, when the won is expected to appreciate to the 710-won exchange rate against the dollar.

Footwear exporters are also among the businesses to be adversely affected by the won's appreciation. Officials of H.S. Corp., which drew up a plan to increase the corporation's shipments to 450 million dollars worth this year, said they don't expect the export goal can be attained.

Many Korean manufacturers' complaints of the won's appreciation and subsequent weakened price competitiveness are not regarded as exaggerations but as reality, economic experts said.

External Trade Terms Improve 'Significantly'

SK010402 Seoul THE KOREA HERALD
in English 1 Apr 88 p 6

[Text] Thanks to the sharpened international competitive edge of Korean products, the country's external trade terms are improving significantly, the Bank of Korea announced yesterday.

The nation's unit prices of exports climbed 10.1 percent in 1987 from a year earlier, compared with a 2-1 percent rise in 1986.

In the meantime, import unit prices rose 7.5 percent last year over the previous year, against a 6.2 percent drop in 1986.

The nation's net barter trade terms, accordingly, enjoyed a conspicuous improvement of 2.5 percent in 1987, representing a rising profitability of Korean-made commodities.

The central bank attributed the improved net barter trade terms mainly to the Korean commodities' better quality and the strengthened won currency.

The export unit prices of textiles, wood and paper, automobiles and chemical products were up 17.0 percent, 14.4 percent, 13.3 percent and 11.3 percent, respectively, in 1987 from a year earlier.

Trade Minister Views Contending With Rising Won

SK010314 Seoul YONHAP in English 0229 GMT
1 Apr 88

[Text] Seoul, April 1 (YONHAP)—South Korea will accelerate modifications in its industrial structure to cope with the rising value of its won currency and the mounting pressure for a wider opening of its markets to foreign goods and services.

Trade and Industry Minister An Pyong-hwa said on Friday that the government's policy focus will shift to balanced and quality growth of the country's economy while seeking more high value-added industries to sharpen the international competitive edge of its industries.

In a speech delivered at a breakfast meeting sponsored by the Korea Chamber of Commerce and Industry, An also said that the government will encourage enterprises hit by the rising won to diversify their management strategies and promote overseas investment.

He added that the government will offer some 3 billion U.S. dollars in foreign exchange loans as well as 40 billion won (53.4 million U.S. dollars one U.S. dollar is worth about 745 won) in government funds to help the private sector deal with the rising won.

An called on the private sector to initiate its own efforts in such steps as developing new technology, reducing production costs and promoting productivity to cope with the rapid rise in the won currency's value.

Commenting on the U.S. pressure for a wider market opening, An indicated that the government will open domestic markets selectively in order to protect local industries.

Economic Group Seeks 'Countermeasures'

SK010321 Seoul THE KOREA TIMES
in English 1 Apr 88 p 6

[Text] The government will soon establish an economic advisory body consisting of individuals from the private sector, government sources said yesterday.

The projected body, which will comprise 20 to 25 members and be under the direct control of the nation's president, is designed to reflect opinions from the private sector in establishing economic policies.

The government plans to announce the formation of the advisory body around April 15 and has begun selecting individuals to serve as members. They will be selected from business, academic and journalistic circles as well as from private business institutes.

The government plans for the body to operate until the end of this year and then determine whether it will function on a permanent basis.

The first task of the projected body will be to draw up countermeasures that the nation can take against foreign pressure calling for the opening of Korean markets, a government source said.

Likelihood of Lower EC Exports Due to GSP Ban

SK300311 Seoul THE KOREA TIMES in English
30 Mar 88 p 6

[Text] Korea is expected to suffer a loss of \$130 million in its exports to the European Community and \$67 million in additional tariffs this year as a result of GSP suspension by the EC for Korean items, the Korea Trade Promotion Corporation (KOTRA) estimated yesterday.

This situation arises because the European Community decided to exclude Korea from the list of the countries benefitting from GSP (Generalized System of Preference) favors from the beginning of this year when negotiations on the protection of intellectual property rights with ROK broke down in 1987.

KOTRA argued that the EC decision directly violated the basic principle of GSP extension as it was taken in apparent retaliation for the breakup of the intellectual property rights talks between the community and Korea.

Originally, the steering committee of the EC in charge of approving GSP favors had decided to graduate four NICs from the list of recipients including Taiwan, Hong Kong, Singapore and Korea.

But just after the negotiations on the protection of intellectual property rights hit a snag, the EC suspended the favor for Korean items alone, KOTRA pointed out.

In 1986, Korea benefited under the GSP system to the tune of \$9.34 million for the \$4.312 million worth of products it shipped to the European economic block.

Trade Mission To Attend GSTP Belgrade Meeting

SK010335 Seoul THE KOREA TIMES
in English 1 Apr 88 p 6

[Text] The government will dispatch a five-member delegation to a meeting on the global system of trade preferences among developing countries (GSTP) slated for April 6-13 in Belgrade, Yugoslavia.

A Finance Ministry official said yesterday that the meeting aims at promoting trade, production and employment in developing countries through easing trade barriers among them.

The conference will be attended by some 55 of the G-77 members, including Brazil, Mexico, India, Libya, the Philippines and North Korea along with the Republic of Korea, the official said.

Korea has called on 41 countries to lower tariff rates on 965 commodities, while 34 countries have urged the Korean government to cut tariffs on 669 items.

Now, the government is negotiating on tariff rate cuts with six countries including Brazil, Chile and Yugoslavia among the 32 countries contacted so far.

During the Belgrade conference, the government plans to conclude tariff agreements with some 20 countries, the ministry official said.

He said that the government will confine tariff negotiations to raw materials which have to be imported and industrial products in which domestic products are competitive.

Counter to U.S. Fishing Regulation Sought

SK290245 Seoul YONHAP in English 0225 GMT
29 Mar 88

[Text] Seoul, March 29 (YONHAP)—The United States is moving to regulate foreign fishing vessels operating in the cuttlefish ground in the high seas off California, officials at the Office of Fisheries said Tuesday.

The officials said the United States plans to regulate the trade of fisheries products with South Korea, Japan and Taiwan, whose fishing vessels operate in the cuttlefish

ground, unless an agreement is reached among the concerned countries by the end of June next year for the protection of natural resources in the area.

The United States is requesting that U.S. inspectors and scientists be allowed to board the cuttlefish vessels of the three countries, and that the three countries send information about the fishing in the area, such as the number of fishing vessels and the volume of the fish catch.

The cuttlefish ground lies between the Hawaiian sea region and the Bering Sea and between the seas off San Francisco and off Japan's Hokkaido Island.

As reasons for regulating foreign fishing vessels in the area, the United States maintains that foreign cuttlefish vessels fish recklessly for salmon and trout released by the United States, and that such rare marine resources as whales are disappearing.

To cope with the U.S. move, the Korean government plans to seek a joint countermeasure with Japan and Taiwan.

Representatives of South Korea's fisheries industry will meet with their counterparts from Japan and Taiwan in Tokyo in May to discuss joint steps to counter the U.S. move.

Last year South Korean fishing vessels caught 70,000 tons of cuttlefish in the area while Japan and Taiwan caught 140,000 tons and 40,000 tons, respectively.

Measures Seen as 'Protectionism'

SK310055 Seoul THE KOREA HERALD in English
31 Mar 88 p 8

[Editorial: "Fishing on High Seas"]

[Text] Reported legislation by the United States to regulate fishing for cuttlefish off the Californian coast is construed as another step toward "protectionism" in the fishing industry as well as in the trade of other goods and services.

The legal action came together with a similar move to curb Alaskan pollack fishing by other countries in the Bering Sea in the North Pacific. These successive moves arouse our concern in that they might shut out our fishing fleets from what we consider to be high seas over which the United States has no exclusive jurisdiction.

Up to late 1970s Washington imposed annually adjusted quotas on the haul of fish by foreign countries within its 200-mile economic one. Theplit introduced a system of "joint operation," which called for virtual purchase of the catch by the fishing partners of the United States.

The need for conserving ocean resources, including such endangered species as salmon, has been cited the major reason for the regulatory measure. But a desire to protect U.S. fishermen and boost the sale of their products must have prompted the decision.

As a nation having high stakes in extensive fishing grounds in the Pacific, Korea is obliged to take issue with the one-sided and apparently arbitrary action of the United States to restrict fishing in the high seas contiguous to North America.

Any such decision affecting international relations should be made after consultation and negotiations with all parties concerned in accordance with the principles of international law.

The government is called upon to work together with its Northeast Asian neighbors in asking Washington to account for the inappropriate curbs on fishing and redress them in a fair manner.

Overseas Mission Chiefs Seek Improved Ties

SK010343 Seoul THE KOREA HERALD
in English 1 Apr 88 p 2

[Text] Ninety-seven Korean overseas diplomatic mission chiefs concluded a four-day meeting in Seoul yesterday, pledging to exert every possible effort for the success of this year's Olympic Games.

In a resolution, they said they will do their utmost to improve ties with Communist countries and expand substantial cooperative relations with Third World nations, while consolidating the existing friendly relationship with the United States, Japan and EC members.

The diplomats also pledged to render assistance in realizing continued economic growth of the nation by coping more effectively with trade frictions with foreign countries and the changing global economic situation.

They resolved to continue endeavors to protect the rights of Korean residents in their host countries.

The heads of overseas diplomatic missions are scheduled to make inspection tours of front-line areas and major industrial facilities till Monday.

Foreign Minister To Make Asian-Pacific Visit

SK010919 Seoul YONHAP in English 0911 GMT
1 Apr 88

[Text] Seoul, April 1 (YONHAP)—Foreign Minister Choe Kwang-su will visit the Philippines, Indonesia, Malaysia, Brunei and Singapore from April 7-20 in an effort to strengthen traditional friendly ties with the Southeast Asian countries, the Foreign Ministry announced Friday.

During the tour, Choe plans to pay a courtesy call on each country's head of state and deliver messages to them from Korean President No Tae-u.

The Korean minister will also meet with his counterparts of the ASEAN to discuss ways to boost cooperation in trade and diplomacy, the ministry said.

Choe will also attend the 44th meeting of directors of the Economic and Social Commission for Asia and Pacific (ESCAP), scheduled for April 12.

In a keynote speech at the meeting, Choe is expected to emphasize the importance of close mutual cooperation among Asia-Pacific rim countries for joint prosperity during a time of rapidly changing world economic trends.

Yi Hyon-ku Named Spokesman for Prime Minister

SK250233 Seoul THE KOREA TIMES in English
25 Mar 88 p 2

[Text] Yi Hyon-ku, deputy managing editor of the vernacular newspaper Choson Ilbo, was tapped as the spokesman for the prime minister yesterday.

Yi succeeded Chong Yun-chun who was promoted as the aide to the 2nd state minister for political affairs, a vice ministerial post, on March 4.

Yi, 49, started his journalistic career in 1965 as a reporter for the now-defunct Shina Ilbo. He joined the Choson Ilbo in 1966 and has since worked at various posts.

New Heads of State-Funded Businesses Named

SK240045 Seoul THE KOREA HERALD in English
24 Mar 88 p 6

[Text] The government yesterday named heads of major state-funded businesses and banks in the wake of sweeping cabinet reshuffle in February. Choe Tong-kyu, former minister of energy and resources, was appointed president of the Consumer Protection Board (CPB).

Han Ho-sun, vice chairman of the National Agricultural Cooperatives Federation (NACF), was promoted to NACF chairman, succeeding Yun Kun-hwan, who has become minister of agriculture, forestry and fisheries.

Han Chae-yul, executive vice president of the Korea Federation of Small Business (KFSB), has been named president of the Small and Medium Industry Promotion Corp. Han will replace Yu Chong-yol, whose term of office expires on April 2.

Yun Tae-kyon, a retired lieutenant general, was named president of the Korean Highway Corp.

An Song-chol, president of the Korea Credit Guarantee Fund (KCGF), was appointed president of the Industrial Bank of Korea while Yi Sang-chol, executive vice president of the Citizens National Bank (CNB), was promoted to president.

Meantime, Kwon Tae-won, president of the National Tax College, has been designated president of KCGF to succeed An.

Yun Song-sik, assistant minister for planning and management at the Ministry of Energy and Resources, was appointed president of the Korea Mining Promotion Corp. to replace Kim Pok-tong who resigned.

Mun Hui-sung was reappointed president of the Korea Gas Corp.

New Bank of Korea Governor Appointed
*SK250801 Seoul YONHAP in English 0641 GMT
25 Mar 88*

[Text] Seoul, March 25 (YONHAP)—The government Friday appointed Kim Kun, president of the Korea Stock Exchange, as governor of the Bank of Korea. Kim replaces Pak Song-sang as head of the central bank.

Kim Kun's previous major posts include deputy governor of the Bank of Korea and superintendent of the office of bank supervision and examination before being appointed president of the Korea Stock Exchange in 1983.

Interviewed on Banking Policy
*SK290735 Seoul Television Service in Korean
1200 GMT 28 Mar 88*

[Video interview with Bank of Korea Governor Kim Kun by KBS anchorman Pak Song-pom; place not given—live]

[Text] [Anchorman Pak Song-pom] Pak Song-sang, governor of the Bank of Korea, was suddenly replaced by Kim Kon, president of the Korea Stock Exchange, even though Pak had 2 years left before his term of office expired.

People will have many things to ask the new Bank of Korea governor to comment on. KBS 9 O'clock News is now linked up with him.

Congratulations on your appointment as governor of the Bank of Korea.

[Kim Kon] Thank you.

[Pak] I presume that the people would like to ask you for your views on the increased amount of money in circulation which has rocked price stability to its foundation.

What plan do you have concerning monetary policy as governor of the central bank? This may be the question that most people would like to ask you.

[Kim] The increase in the total amount of currency in circulation has begun to slow its momentum after its peak during last December. In the future, too, the central bank will continue to curb the influx of long- and short-term capital and encourage domestic businesses to invest in foreign countries to eliminate the factor that causes currency increase in foreign exchange earning sectors. At the same time, the central bank will urge corporations that rely on a large amount of bank loans to raise money from the capital market so that they can repay loans borrowed from banks. In this way, the central bank will keep the loan limit in place until the end of this year.

[Pak] Another pressing issue is how you can harmonize the inequalities between industrial sectors and between regions in terms of monetary policy. What idea do you have in this regard?

[Kim] Concerning the inequality between industrial sectors, the central bank will rectify the problem of excessive loans to large corporations step by step. I think it is a most important task facing the Bank of Korea to turn the money saved as a result of this effort into assistance extended to small- and medium-sized business firms.

Also, to revitalize the local banking industry we plan to aid local banking institutions to make them grow, and augment the number of employees at local Bank of Korea branches.

[Pak] The issue concerning the independence and neutrality of the Bank of Korea has been steadily discussed depending on the changing political situation. I remember that many Bank of Korea governors have left office without completing their terms of office. What do you think you will do regarding the independence or neutrality of the Bank of Korea?

[Kim] The relations between the government and the central bank can be likened to those between man and wife. Self-trust, self-respect, and cooperation should constitute the foundation of relations between the government and the central bank.

[Pak] As the rapid upward revaluation of won currency imposes considerable pressure on small- and medium-sized export companies in particular, businessmen say that it is necessary to lower interest rates. Please comment on this.

[Kim] As you know, I took charge of my office only today. I will take enough time to study such things and will reflect public opinion when it comes to such issues.

[Pak] Thank you for having spared time for us, Governor.

Exploration Seeks 'Stable' East Sea Oil Supply
*SK290849 Seoul YONHAP in English 0833 GMT
29 Mar 88*

[Text] Seoul, March 29 (YONHAP)—South Korea will begin exploring for an oil field in an area of the East Sea from April 1-30 in an effort to secure a stable oil supply, the energy and resources ministry said Tuesday.

The East Sea has been excluded from the country's plan for developing oil mining blocks off the coast of the Korean peninsula due to its depth of 1,000 meters.

Before 1980, oil development activities in the seabed were possible only within a depth of 200 meters.

The target area of 5,000 square kilometers, situated near the sixth mining area, a natural gas field discovered last year, is expected to consist of river silt like the sixth area, according to the ministry.

If the area turns out to be promising, the government will designate it as a submarine oil developmental field.

Korea currently has a total of 290,000 square kilometers of submarine oil development fields involving seven mining areas in the continental shelf. Including the area in the east sea, the oil development fields will expand to a total of 340,000 square kilometers comprising eight mining areas, the ministry said.

Industrial Structure Nears 'Advanced' Levels
*SK290355 Seoul THE KOREA TIMES in English
29 Mar 88 p 6*

[Text] The nation's industrial structure has come much closer to that of the advanced countries with the weight of service and heavy and chemical industries growing during 1980-85 period, the Bank of Korea [BOK] said yesterday.

Korea's dependency on import for raw materials has been on decline thanks to active localization of components and parts, the central bank reported.

According to the BOK report, the ratio of the agro-fisheries industry in the whole industrial structure on the basis of total domestic production has been lowered to 12.8 percent in 1975, 8.3 percent in 1980 and 7.7 percent in 1985.

The input-output tables, compiled every five years from 1975 by the central bank, are designed to analyze factors of the rapid changes in industrial structure and used to help establish the economic development plans.

The tables show the mining and light industry sector also saw their portions dropping in the whole industrial structures.

In contrast, the heavy chemical industry has continued to add its weight by taking up 23.3 percent of the nation's combined industrial production in 1985. The share was 20.7 percent in 1975.

As the import-dependency ratio of the heavy chemical industry fell to 28.2 percent from 33.1 percent in 1980 and 33.8 percent in 1975, the foreign currency earning ratio continued to improve from 51.2 percent in 1975 to 56.6 percent in 1985.

But the pace of wage hike has been lagging in comparison with the sweeping development of the local industry, the tables shows.

The wage portion of the added value in the total turnover plunged from 32 percent in 1975 to 41.1 percent in 1985.

In 1985, however, the ratio decreased to 41 percent, compared with the 54.7 percent in Japan and 54 percent in Taiwan in the same period.

The ratio of the combined added value in the total turnover of the Korean industry rose to 41.4 percent in 1985 from 39.6 percent five years earlier.

Meanwhile, the investment in the construction sector increased to 57.9 percent in 1985 from 50.8 percent in 1975, largely-boosted by the expanded investment in the social overhead projects including the Han River development project and the Mok-tong new town development program.

Kia Motors Expanding To Target China Trade
*SK290329 Seoul THE KOREA HERALD in English
29 Mar 88 p 6*

[Text] Asan Bay, Korea (Reuter)—Legend has it that on a still morning here you can hear a cock crow in China. Nowadays, you're more likely to wake to the sound of bulldozers.

The Kia Motor Company, south Korea's third largest car manufacturer, has begun clearing ground for a factory on this western bay facing China's Shandong Peninsula 250 miles away across the Yellow Sea.

Bulldozers are working round the clock clearing the way for the factory which a company official said would be able to produce 700,000 vehicles a year aimed for the China market.

Shandong's ports have been closed to south Korean trade since the 1950-53 Korean War, when the Communist government in Beijing sent millions of troops to back north Korea.

There are now clear signs relations between Peking and Seoul are thawing fast after nearly four decades of deep freeze.

Kia is just one of a number of south Korean companies seeking to win an early foothold in the potentially huge Chinese domestic market.

Unofficial trade estimated to exceed \$2 billion annually has flourished in recent years, conducted mainly through Hong Kong.

South Korean President No Tae-u says a chief goal of his new administration is the speedy opening of official trade ties with China followed by diplomatic relations by 1993.

Seoul took a giant step in this direction last month, announcing plans to build West Coast ports and industrial complexes to handle the anticipated China trade bonanza.

The blueprint includes construction of a harbor complex by the end of the century on Asan bay, 80 km southwest of Seoul, with an annual cargo capacity of 48 million tons.

"Everybody here is talking about China," said a real estate agent at Asan.

"People here are experiencing a real change in their daily lives because of the heavy influx of investment in this area, not to mention the recent surge in land prices."

Across the bay from Asan there's a sleepy little fishing port called Tangjin—literally "Ferry of Tang" after the dynasty which ruled China from 618-907 A.D.

A thousand years ago Tangjin was bustling, serving as a centre for trade and cultural exchanges with Tang China. Korea bought Chinese textiles, silk, porcelain, books and paper and exported gold, silver, writing brushes and ink.

"The chance that we can start trading again with China makes people even in this small town dream of reviving our long-lost glories," said local official Sin Kye-ho.

Further down the West Coast there is Kunsan, once a prosperous port developed by Japanese colonial authorities during their 1910-1945 occupation to ship home Korean rice.

"We are studying replacing the old port with a huge new harbor, which could handle 3.5 million tons of cargo a year in the early 1990s," said a maritime administration official in Kunsan.

Kunsan Chamber of Commerce officials said the city planned to build a huge industrial complex by 1992.

They said Daewoo, south Korea's second biggest car maker, wanted to build a plant in the complex with an annual capacity of more than 600,000 vehicles.

Poll Shows Research Low Priority for Business
SK270041 Seoul THE KOREA TIMES in English
27 Mar 88 p 6

[Text] Most of the nation's companies are reluctant to invest in R&D programs despite sharp increase in their net profits last year, a survey conducted by an economic research institute said yesterday.

According to the survey of the Dongsuh Economic Research Institute, 242 firms which closed their business accounts for last year at the end of last December spent meager 0.35 percent of their turnover in the research and development programs.

Their total investment in the R&D projects stood at 212.9 billion last year, the survey shows.

Electric companies topped others in R&D investment with the increase of 46.6 percent over the previous year, followed by petrochemical firms with a 10 percent hike.

The survey showed, however, most enterprises in other lines of business including textiles reduced their investment in the research and development programs.

The proportion of R&D investment to the turnover reaches 3-5 percent in the case of foreign businesses, the institute pointed out.

Labor Ministry Outlines Labor Strife Measures
SK310247 Seoul THE KOREA HERALD in English
31 Mar 88 p 3

[Text] The Labor Ministry has decided to crack down on labor strikes which result in violence and property destruction, a ministry official said yesterday.

The ministry will also apply legal punishment to employers who refuse to negotiate with unions without proper reason.

The measures are designed to preclude labor disputes as a large number of strikes are expected this spring when many companies hold wage negotiations, the official said.

The ministry has encouraged employers to improve working conditions and to employ other preventive measures against strikes.

Employeers have been advised not to resort to violence when they go on strike or stage other protests, the official said.

He said the ministry has advised owners of plants operating around the clock to introduce a three-shift system.

Briefs

KFTA Appoints Adviser

Former Trade-Industry Minister Kum Chin-ho was appointed advisor to the Korea Foreign Trade Association [KFTA] at its third executive members meeting yesterday. Kum quit the presidency of the Consumer Protection Board in November last year to run as a candidate for the National Assembly but failed to win the candidacy. [Text] /SK310255 Seoul THE KOREA TIMES in English 31 Mar 88 p 6/

Brunei, Malaysia & Singapore

Malaysia

Official Says U.S. Credibility at 'New Low'
BK010809 Kuala Lumpur BERNAMA in English
0733 GMT 1 Apr 88

(1By Salmy Hashim)

[Text] Washington, April 1 (OANA-BERNAMA)—The defeat of American forces in Indochina, and American inability to support market economics in the developing world have brought American credibility to a new low, a high level Malaysian official said on Thursday.

Malaysian permanent representative to the United Nations, Mohamed Yusof Hitam said the fact that the Soviet Union has been following the U.S. steps, looking inward would not make the American action more acceptable.

"If anything, it would appear that American actions in the economic and political fields, bilaterally and multilaterally, would only strengthen the feeling that U.S. commitments are not that reliable," he told a group of students and academicians at the Fletcher School of Law and Diplomacy at Tufts University, Boston.

He pointed out that the Association of Southeast Asian Nations (ASEAN) found it "extremely difficult" to place their faith in the U.S. because "developing countries now have to deal with the United States as they did with the Russians."

The noncommunist ASEAN comprises Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore, and Thailand.

He said, similar tactics were adopted a quarter of a century ago where newly independent countries had to "deal" in trade with the Soviet "Evil Empire" to reduce the pressures of ideological and military subversion.

Yusof, who has yet to take up his new posting as secretary-general of the Malaysian Foreign Ministry said, in view of the U.S. attitude, it is thus unrealistic for Americans to expect an affirmative and collective voice from ASEAN on the future of the U.S. air and naval bases in the Philippines.

Several ASEAN countries do strongly express their desire to see a more pronounced U.S. presence in the region. "But it is unlikely that an ASEAN consensus in this regard will emerge in the near future," he said.

He said it is best at this point to put in efforts towards removing the barriers of peace while enhancing confidence among Southeast Asian nations.

The key question in these efforts is the political solution to the Kampuchean problem which guarantees the integrity, sovereignty, independence and nonalignment of Kampuchea—an effort vigorously pursued by ASEAN.

In this context, he called on Hanoi to respond positively to the calls made by Prince Norodom Sihanouk, and not hang on to a dream that will deepen the divisions in the region "which will feed major power rivalries".

Yusof said ASEAN leaders are concerned that the Soviet Union has been consolidating its presence in Asia and the Pacific, especially in Indochina.

Examples of gains made by the USSR are: construction of the Da River hydroelectric project, the completion of the strategic Ho Chi Minh highway between north and south Vietnam, the Soviet electronic surveillance network in north Vietnam, naval presence in Cam Ranh Bay and Kompong Som, and Soviet upgrading of the Vietnamese Navy.

Although ASEAN leaders are very concerned with these developments, they consider it futile to place the future of peace in Southeast Asia squarely upon the U.S. and folly to call upon Japan or China to replace the Americans, he stressed.

The most prudent option open to ASEAN remains the "neutralization" of the region through accommodation of the legitimate interests of the superpowers in non-military fields.

The dynamic strategy of "regional resilience" not only prepares ASEAN for peaceful co-existence with the communist regime in Indochina, but also develops a unified stand against subversion in the region, the top Malaysian diplomat said.

Officials Comment on National Issues
BK311549 Kuala Lumpur BERNAMA in English
1423 GMT 31 Mar 88

[Text] Kuala Lumpur, March 31 (OANA-BERNAMA)—Minister in the Prime Minister's Department Kasitah Gaddam warned Thursday that the government would not hesitate to take action against any organisation trying to create disunity among or threaten the faith of Muslims.

He said it was continuing to monitor the activities of all Islamic bodies in the country, including the Darul Arqam.

Kasitah, who was addressing the winding-up session of the Senate here said the government was also taking action against those found to be propagating Christianity among Malays.

Deputy minister in the same department Oo Gin Sun said the government was taking positive measures to bring about full usage of Bahasa Malaysia (Malay) in the courts.

Among the steps were the setting up of the judiciary translation bureau, directing the lower courts to use Bahasa Malaysia, asking the Bar Council to use the language in all its correspondences with the courts and the setting up of the judicial committee on its usage.

On Malaysia's efforts to secure a seat in the UN Security Council, Deputy Foreign Minister Toh Muda Dr Abdullah Fadzil said the lobbying efforts had been stepped up.

Based on support received from countries so far, Malaysia had a good chance of getting the seat, he said.

Assistance Planned for Bumiputera Companies
BK010323 Kuala Lumpur BERNAMA in English
0143 GMT 1 Apr 88

[Text] Kuala Lumpur, April 1 (BERNAMA)—Bank Negara and Malaysian Industrial Development Finance (MIDF) are currently reviewing problem loans extended to Bumiputera companies to work out some form of viability criteria which will enable them to seek assistance from the M\$500 million (about US\$200 million) Enterprise Rehabilitation Fund.

Banking sources said some commercial banks have already been called upon to discuss the problem loans they have in their portfolios to enable the authorities to categorise the companies with the potential to be revived from those that are less solvent.

It is learnt that the central bank and MIDF are now scrutinising the accounts of companies in deep waters, the English language daily NEW STRAITS TIMES reported on Friday.

The loans have already been sectionalised into various divisions including manufacturing, trading, agriculture and property as well as further categorised in terms of value within different ranges, said a banker.

The allocation for the M\$500 million fund has been made and book-keeping details have to be worked out to enable MIDF to run the account as a trust fund.

The details of the fund, financed by the central bank and channelled through the MIDF, are being finalised and it is expected to be launched in the near future.

The recession of 1985 together with the sharp deflation in property and share prices had left a legacy of rising non-performing loans in the financial system.

MIDF has been appointed the secretariat and is looking for professionals in manufacturing to be part of the specialist turnaround groups who would evaluate the viability of the ailing enterprises professionally and objectively.

It is learnt that the professionals in trading, agriculture and property to be selected for the turnaround group would be handled by a few financial institutions, the likely candidates being bankers, economists and businessmen.

A spokesman for the United Malayan Banking Corporation said the bank is part of the turnaround group and is now in the process of going through problem loans with individual customers.

MIDF General Manager Darwis Bin Mohamed Daek said about five experts will be proposed to Bank Negara for the manufacturing group but the actual number would depend on the size of the problem loans for the sector.

The choice of the experts depends on their experience in the sector as well as proven success in the business and their being conversant with the problems and opportunities in the field, he said.

Where viable projects are concerned, the turnaround groups would recommend the best possible solution to restructure their finances and management to turn them into going concerns once again.

A panel of independent advisers would then assess the recommendations and decide whether or not the fund would contribute seed capital to assist the ailing enterprises. The panel's decision is final.

To assist in the restructuring process, Bank Negara has allowed the banks concerned to convert part of their loans to the enterprises into equity, with buy-back arrangements if necessary.

On whether the MIDF Secretariat would be recruiting more staff to handle the various aspects involved in managing the fund, Darwis said temporary staff would be employed if needed.

Foreign Minister Pays Visit to SFRY

For coverage of Foreign Minister Datuk Abu Hassan bin Omar's visit to the SFRY and the accompanying delegation's attendance at the Yugoslav-Malaysian mixed commission for economic and technical cooperation and trade, see the Yugoslavia section of the 31 March East Europe *Daily Report* and subsequent issues.

Cambodia

Editors of Socialist Papers Arrive 1 April

BK010913 Phnom Penh Domestic Service
in Cambodian 0430 GMT 1 Apr 88

[Text] Delegations of socialist countries' party newspapers arrived in the PRK on the morning of 31 March for an official friendship visit.

The delegations include Vietnam's NHAN DAN delegation led by Comrade Ha Dang, alternate member of the CPV Central Committee and NHAN DAN editor in chief; Soviet Union's PRAVDA delegation led by Comrade Averchenko, chief editor of PRAVDA's Foreign News Department; Laos' PASASON delegation led by Comrade (Malachon Ladothom) PASASON deputy editor in chief; Hungary's NEPSZABADSAG delegation led by Comrade Gabor Borbely, member of the Hungarian Socialist Workers' Party Central Committee and NEPSZABADSAG editor in chief; Poland's TRYBUNA LUDU delegation led by Comrade Jerzy Majka, member of the Polish United Workers Party and TRYBUNA LUDU editor in chief; Bulgaria's RABOTNICHESKO DELO led by Comrade Yordon Yotov, RABOTNICHESKO DELO deputy editor in chief; Czechoslovakia's RUDE PRAVO delegation led by Comrade Jaroslav Kojzar, RUDE PRAVO deputy editor in chief; Cuba's GRANMA delegation led by Comrade (Cabrera), GRANMA deputy editor in chief; GDR's NEUES DEUTSCHLAND delegation led by Comrade Sander Drobela, NEUES DEUTSCHLAND deputy editor in chief; and Mongolia's UNEN delegation led by Comrade (Zel Lev), UNEN deputy editor in chief.

Welcoming the delegations at Pochentong Airport were Mrs Som Kimsuor, member of the party Central Committee and editor in chief of PRACHEACHON newspaper; Comrade Pen Panhnid, deputy editor in chief; and many cadres from PRACHEACHON newspaper's office. Also on hand at the airport to welcome the delegation were Comrade Josef Kobialka, Polish ambassador extraordinary and plenipotentiary; Comrade Petr Janecek, CSSR ambassador extraordinary and plenipotentiary; Comrade Viriato Mora Diaz, Cuban ambassador extraordinary and plenipotentiary; Comrade Lajos Karsai, Hungarian ambassador extraordinary and plenipotentiary; and representative of the Soviet Embassy in Cambodia.

Hun Sen Attends Transportation Meeting

BK311356 Phnom Penh SPK in English
1100 GMT 31 Mar 88

[Text] Phnom Penh SPK March 31—A recapitulatory meeting of the Ministry of Posts, Transport and Communications was held here recently to review the ministry's activities in 1987 and set forth the 1988 plan.

The meeting was attended by Hun Sen, Politburo member of the People's Revolutionary Party of Kampuchea Central Committee and chairman of the Council of Ministers.

According to a report presented at the meeting, last year the freight loading rose to 1,136,000 tons, up by 14 percent over the 1987 plan or an increase of 29 percent over 1986. The three companies of road, river and railway transportation surpassed their yearly plan by 8 percent with a total freight loading of 527,800 tons. The provincial transportation services moved 608,200 tons of goods, topping their target by 23 percent.

Addressing the meeting, Chairman Hun Sen urged the participants to make greater efforts in order to fulfill the 1988 plan. He attached much attention to the repair and construction of bridges and roads to further facilitate the transportation of goods in the country. Another thing of not less importance, Hun Sen went on, is to boost goods transportation in the two existing railway lines—Phnom Penh-Battambang and Phnom Penh-Kompong Som City—in addition to the motor roads between these localities. He said that more garages should also be set up to repair cars and trucks in time.

With regard to the postal and communications work, Hun Sen pointed to the importance of the expansion of public-address systems to far-flung areas and the postal service in the people's daily life.

At the closing session, the transportation service of Kompong Cham Province and the Kampuchean Railway Company were awarded laureate banners of the Council of Ministers for their outstanding achievements in 1987.

Major Attack Near Battambang Reported

BK010924 (Clandestine) Voice of the National Army
of Democratic Kampuchea in Cambodian 2315 GMT
31 Mar 88

[From the "Daily Report From Various Battlefields" feature]

[Excerpt] West Battambang Battlefield: On 26 March, our National Army launched a commando attack against positions of the Vietnamese enemy's 309th Division at Ta Ngen and Komping Puoy villages, over 20 km west of Battambang town. In a 30-minute clash we killed 72 Vietnamese soldiers, including 2 battalion commanders, 5 company commanders, and 8 platoon commanders and wounded 45 others. We destroyed an arms depot containing 269 guns—2 DK-75's, 6 DK-82's, 4 80-mm mortars, 6 60-mm mortars, 5 12.7-mm machineguns, 5 RPD machineguns, 11 B-40 rocket launchers, 19 B-41 rocket launchers, 7 heavy machine guns, 5 RPK machineguns, 192 AK assault rifles, and 7 pistols—an ammunition depot 30 meters long by 10 meters wide filled with a thousand metric tons of 105 and 120 mm shells which

continued exploding the whole day, a warehouse containing 200 bags of rice, a warehouse storing thousands of uniforms, a drug store, 15 barracks, a generator, 5 vehicles, 20 barrels of fuel, 4 C-25 radios, 5 telephones, and a quantity of other war materiel. We seized 29 guns—3 RPK machineguns, 2 heavymachine guns, 2 B-40 rocket launchers, 2 B-41 rocket launchers, 20 AK rifles—90 B-40 and B-41 rockets, 68 60-mm mortar shells, 8 boxes of AK cartridges, 60 hand grenades, a quantity of medicine, and some other war materiel. We liberated four villages, namely Ta Ngen, Svay Sa, Pong Moan, and O Ta Nhie.

Siem Reap battlefield: On 22 March, our National Army, in cooperation with people and Cambodian patriotic soldiers, attacked Siem Reap town's north and east defensive networks in Siem Reap District. After 30 minute of fighting, we killed six Vietnamese soldiers, wounded eight others, and liberated three companies of Cambodian soldiers. We also liberated 16 villages, which are Bos Thum, Svay Chrum, Ta Chan, Prey Kuy, Anhchanh, Arak Svay, Kiri Minon, Kravan, Bos Oem, Ta Trav, Thnal Dach, Trapeang Run, Boeng Kaong, Ta Pang, O Totoeng, and Rohal; and freed 210 militiamen and commune and village officials, and 400 workers drafted by the Vietnamese enemy to build a defense network for Siem Reap City. [passage omitted]

Vietnamese Regiment Commander Commits Suicide
BK010938 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 31 Mar 88

[Text] On 18 March, in Sot Nikom District, Siem Reap Province, Siem Reap battlefield, a Vietnamese regiment commander committed suicide by shooting himself.

Facing more defeats and becoming more and more stalemated on the battlefield of aggression against Cambodia without seeing any way out, this Vietnamese commander, who had become desperate and pessimistic seeing only defeat, shot himself to death.

Laos

Military Commission Holds Last March Meeting
BK311428 Vientiane Domestic Service in Lao 1200 GMT 31 Mar 88

[Text] Yesterday morning, the Lao-Thai joint military commission held its last meeting for this month at Muang Phae village, Na Haeo District, in Thailand's Loei Province. The Lao side was led by Colonel Somboun Sisavat and the Thai side by Colonel Thawisak Khetsali, respectively heads of the military teams of the two sides. Both sides consulted with each other to resolve remaining problems and informed each other of certain developments occurring in the area where the fighting took place in the past so as to acknowledge them together and outline measures for strict implementation in the future. The meeting unanimously agreed that the recent

developments have not been caused by the forces of either side but result from interference by the forces of a third party. In view of these developments, the commission of the two sides unanimously agreed to take further measures to reinspect the area in question using vehicles and aircraft.

With regard to the aerial inspection, following further consultation in the morning, at 1440 the members of the joint Lao-Thai military commission flew by helicopter from Ban Muang Phae village over the demilitarized zone to inspect Hill 1428, Hill 1370, Hill 1182, and Hill 905 before returning to the meeting site.

As for the land inspection, the two sides agreed to assign six terrain technical experts and three mobile inspection authorities from each side to be dropped by helicopter on Hill 1370, Hill 1182, Hill 1146, Hill 905, and Hill 1229 to carry out a thorough inspection of the restricted zone with a sense of sincerity toward each other.

On the afternoon of the same day, the Thai side handed over to the Lao side the bodies of two Lao soldiers found earlier by the Thai side. At the meeting, the Lao side also agreed to the request of the Thai side to take the technical authorities of both sides to search for the bodies of Thai soldiers on 1 and 2 April. It is anticipated that the remaining corpses must be left uncollected on many hills, such as Hill 1370, Hill 905, and in areas in the vicinity.

Maichantan Sengmani Receives SRV Delegates
BK010948 Vientiane KPL in English 0902 GMT 1 Apr 88

[Text] Vientiane, April 1 (KPL)—Maichantan Sengmani, Politburo member, secretary of the LPRP CC, chairman of the Party and State Control Committee, received here yesterday a delegation of the party's Control Committee of Nghe Tinh Province, the SRV.

During the cordial talk M. Sengmani talked of the need to further strengthen relations and comprehensive cooperation between the parties, governments and peoples of the two countries. On this occasion, he also informed his guests about activities of the control committee in the country.

The Vietnamese delegation, led by Nghe Tinh Province party control committee's Chairman Dang Dinh Tu, arrived on March 17 and left here on March 31.

Manglapus Sees 'Inequities' in U.S. Bases Pact
BK010429 Kuala Lumpur BERNAMA in English 0340 GMT 1 Apr 88

[By Zainoor Sulaiman]

[Text] Manila, April 1 (BERNAMA)—The committee for the review of the Philippines-U.S. Military Bases Agreement (MBA) has completed preparations for next week's talks with the U.S. representatives, Department of Foreign Affairs (DFA) officials said on Thursday.

The joint executive-legislative-judicial committee held ten meetings to assess the implementation of the agreement and gather information and data for the Philippine panel of negotiators, they said.

Foreign Affairs Secretary Raul Manglapus, committee chairman and head of the Philippine panel at the review talks scheduled to start April 5, has emphasised the inequities in the benefits derived by the Philippines from the American bases as compared with other countries hosting U.S. military facilities.

Citing U.S. Information Service (USIS) materials, Manglapus outlined the extent of the military coverage of Clark Air Base and Subic Naval Base which cover the Western Pacific and the Indian Ocean, an area which includes Australia, South and Southeast Asia, West Asia, the east coast of Africa, Japan, Taiwan, South Korea, and China.

Manglapus said the functions and missions served by U.S. bases in the European countries are individually limited, such as the facilities in Greece which help guard the Aegean Sea approach to the Mediterranean, provide important communication links between North Atlantic Treaty Organisation (NATO) air and naval forces, and permit surveillance of the Soviet Union's military forces in the Mediterranean area.

The same missions are outlined for facilities in Portugal, with their responsibility for the eastern Atlantic and western Mediterranean, Spain for anti-submarine and air activities in the western Mediterranean, and Turkey for monitoring Soviet air and naval activities in the Black Sea, and linking with Spain and Italy-based U.S. Air Force craft.

These responsibilities are dwarfed by the giant missions of the Philippine facilities, which provide command, control communications, and counter-intelligence in an area which extends from the Pacific to Africa, officials said.

For hosting the largest American military bases outside the U.S., Washington accords the Philippines, in a five-year programme that will terminate in 1989, US\$180 million (about M\$450 million [Malaysian currency]) annually.

By comparison what Manila is receiving is one sixth of the total amount of almost US\$1.3 billion (about M\$3.25 billion) awarded to Greece, Turkey, Portugal and Spain, the officials said.

Japan Plans To Invest in Sea Exploration

*HK311431 Quezon City Radyo ng Bayan in Tagalog
0800 tGmt 31 Mar 88*

[Text] The Japanese Government has plans to invest \$100 million to explore and develop the natural resources of the Mindoro seas.

Mindoro Congressman Rodolfo Valencia said that the investors plan to explore oil bases in San Jose, Occidental Mindoro.

The foreign investors have asked Congress to give them a chance to fund the exploration of Mindoro seas' natural resources through a hundred per cent foreign capital investment to ensure the project's success.

Valencia also said that other Asian countries have prospered economically for having allowed a hundred per cent foreign investment into their countries.

Thailand

War Stockpile Pact Appendix Signed 1 April

*BK010255 Bangkok BANGKOK POST
in English 1 Apr 88 p 2*

[Text] Acting Supreme Commander Gen Chawalit Yongchaiyut and Brig Gen Peter W. Lash, head of the US Military Advisory Group, will this afternoon sign an appendix to an agreement to set up a war reserve stockpile in Thailand.

The annex will cover all details of the arms stockpile, which will cost Thailand and the United States US\$50 million each for five years beginning this year. The stockpile will consist mainly of ammunition.

The stockpile accord was signed by Defense Minister Phaniang Kantarat and US Ambassador William A. Brown in Bangkok in January last year.

Admiral Sunthon Krathet, chief of logistics of the armed forces, said yesterday he expected the stockpile to be ready by October.

The stockpile will give Thailand immediate access to essential arms in an emergency. The admiral will today head a military mission to the US to observe arms stockpile management.

Sitthi Cites Diplomatic Achievements

*BK010135 Bangkok BANGKOK POST
in English 1 Apr 88 p 3*

[Text] Foreign Minister Sitthi Sawetsila said last night foreign investors feel more secure about investing in Thailand because of his efforts over the last eight years to make Thailand known worldwide.

ACM [Air Chief Marshal] Sitthi made the remarks at a 3,00-baht-a-plate dinner held by the Social Action Party at the Central Plaza Hotel to raise funds for the party.

About 1,000 guests, mostly businessmen, politicians and government officials came to the party, which raised about six million baht.

Speaking on "Thailand's Foreign Policy Today," ACM Sitthi said that since he took charge of foreign affairs eight years ago, he had speeded up improvement of diplomatic relations with countries all over the world, regardless of how remote or unfamiliar they were or whether they had different political ideologies.

He said he had gone to countries in Africa, South America and Eastern Europe regularly during the past eight years as well as sending his deputy and Thai delegations.

The visits resulted in expansion and establishment of diplomatic relations, he said.

Thailand's reputation is also known worldwide as a leading country with fast economic and political growth.

ACM Sitthi said that during his term in office, Thailand established diplomatic relations with 41 new countries bringing the total of countries with whom we have diplomatic ties to 141.

Thai overseas markets have been expanded to Africa and East Europe and export volume has increased, he said.

ACM Sitthi said foreigners now feel more secure in the investment climate of the country after past uncertainty.

He said Thailand is now heading to be a newly industrialised country (NIC) similar to South Korea, Hong Kong, Taiwan and Singapore.

But all the successes, ACM Sitthi said, were a by-product of the efficiency and capability of officials of the Foreign Ministry.

"I'm proud of all my colleagues and honoured to be the Minister of Foreign Affairs," he said.

ACM Sitthi also said that another achievement of the ministry during the past eight years was the promotion or coordination between the public and private sectors and among the public sectors.

The most apparent achievements were the improvement of the Thai-Japanese economic structure, and the improvement of trade with the United States, he said.

ACM Sitthi said he wanted to "see our democracy blossom and the Thai people enjoy all rights and freedom of thought".

Views on Japanese Investments

BK010133 Bangkok BANGKOK POST
in English 1 Apr 88 p 1

[Text] Japanese may have invested less in Thailand last year because they were afraid of a Thai backlash to an influx of investment, Foreign Minister Sitthi Sawetsila said yesterday.

Air Chief Marshal [ACM] Sitthi, speaking to the BANGKOK POST at the Bank of Thailand, said "They are scared that if they flock to invest in Thailand, there could be reactions from Thais."

ACM Sitthi was commenting on statements from the Board of Investment [BOI] that direct Japanese investment dropped 35 percent to 1,667 million baht in the first three-quarters of 1987 from 2,567 million baht in the same period of 1986.

The ministry's chief of economic affairs Danai Dulalampha said he believed in the accuracy of the figures, which show a drop in the amount of direct Japanese investment as well as the number of projects invested in.

He said, however, that the number of Japanese applications for promotional privileges submitted to the BOI during the same period had risen.

"Although the amount of money invested fell, the projects they submitted applications for were very interesting."

Thai Ambassador to Japan M.L. Phiraphong Kasemsi said he too accepted the figures, but added: "We have to remember that the number of Japanese projects proposed to us has increased, which is a good sign. We can choose those projects that will benefit us most."

Most important, he said, is that Thailand preserve its attractive atmosphere for foreign investment.

According to Bank of Thailand figures obtained by the POST yesterday, the country attracted 2,993 million baht in Japanese equity and loans during the first three-quarters of 1987, compared to 2,983 million during the same period in 1986.

Of this, 2,601 million baht was equity and 392 million was loaned last year, and 1,851 million was equity and 1,132 million was loaned the previous year.

According to the bank, 1,326 million baht in equity and loans went from Thailand to Japan in the first three-quarters of last year, compared to 409 million in the same period of 1986.

Of this, one million baht was equity and 1,325 million was loaned last year, and 31 million was equity and 378 million was loaned the previous year.

The net influx of equity and loans from Japan to Thailand last year was 1,667 million baht compared to 2,574 million in 1986.

Meanwhile, Japanese and Thai officials met yesterday to review economic relations and the so-called White Paper that outlines measures aimed at improving those ties.

The Thai side, led by Deputy Foreign Minister Praphat Limpaphan, exchanged ideas on restructuring trade ties with the Japanese side, led by Deputy Foreign Minister Hiroshi Kitamura, according to Mr Danai.

The meeting, which agreed to closer cooperation in trade, investment, and technology between the two countries, was considered a success, he said.

"Actually, Japanese investment has increased, and 80 percent of the proposed projects are aimed at export."

He said the Thais called for a greater Japanese effort to relocate investments to Thailand, transfer technology to strengthen Thai production and promote Thai export to Japan and third countries.

Thailand, he said, made clear that it seeks investment in engineering, agro-industry, electrical equipment, electronics, machinery, processed agriculture, chemicals, plastics and packaging.

The Japanese, he said, acknowledged that they are aware of barriers to Thai exports to Japan and would solve this problem.

"Commerce Minister Montri Phongphanit and Japan's Minister of International Trade and Industry will discuss the details later," he said.

Further on Trade, Cooperation With Bangladesh

*BK010155 Bangkok THE NATION
in English 1 Apr 88 p 2*

[Excerpt] Thailand will receive top priority consideration when Bangladesh is ready to expand its joint ventures in fishing with other nations, said Bangladesh Foreign Minister Humayun Rasheed Chowdhury in a press conference in Bangkok yesterday.

He said Bangladesh is waiting for the outcome of a study of marine resources in its waters before deciding on Thai proposals in setting up joint ventures. The study is being conducted by the Food and Agriculture Organization and the United Nations Development Programme.

Thailand has proposed expanding bilateral cooperation in fisheries, increase the number of Thai trawlers (now only eight) operating in the existing Thai-Bangladesh fishing joint venture, and joint exploration of tuna habitat in Bangladesh's 200-mile exclusive economic zone.

Thailand wants to buy as much tuna as Bangladesh can supply in order to reduce the trade surplus Thailand has over Bangladesh. Premier Prem Tinsulanon and Bangladesh President Hussain Muhammad Ershad agreed during their 45-minute talks at Government House Wednesday that joint efforts must be made to promote bilateral trade and economic contact. This year, the bilateral trade target has been set at \$100 million.

Chowdhury told the press conference that counter-trade and special trading arrangement could be used in bridging the trade gap, which last year amounted to \$77.7 million in Thailand's favour.

He said Bangladesh can sell jute, jute products, tea, hides and skins, and newsprint, etc., to Thailand.

"We are competitive (in these areas), but we are not competitor (of Thailand)," said Chowdhury when asked how Thailand and Bangladesh—both are agriculture-based economies—can complement each other.

"When there is political will and commercial will, the business people will find ways to buy from one another," he added.

The four-day state visit of President Ershad, which ended yesterday, was aimed at strengthening relations between the two countries. [passage omitted]

Temporary Market Set Up on Mekong Island

*BK010037 Bangkok THE NATION
in English 1 Apr 88 p 4*

[Excerpt] Nong Khai—More than 10,000 Thai and Lao people yesterday traded on a Lao islet along the Mekong River as Vientiane claimed victory over Thai forces in the recent border fight.

Local Thai officials temporarily allowed Thai merchants to trade and barter goods with the Laotians in a makeshift market on Hat Klang islet opposite Si Chiang Mai District.

The Thai goods were mostly consumer products, food and medicine, while the Laotians sold foreign liquor and jungle products to the Thais.

Local officials said their "superior" ordered them to permit the cross-border trade, but declined to elaborate.

Thai police and customs officials were deployed at a border pier to prevent merchants from taking so-called strategic goods to the temporary marketplace. Bangkok bans the export of electrical appliances and several other items, including combat gears [as published] to the communist neighbor.

They arrested 12 Thais and two Vietnamese migrants, and confiscated seven televisions, four loudspeakers, five electric fans and five cassette players.

Thailand apparently relaxed its economic pressure on Laos after the two countries reached a cease-fire agreement, which ended the bitter border fight Feb 19. [passage omitted]

Vietnam

Aide-Memoire on Spratlys Given to PRC Envoy

BK011144 Hanoi Domestic Service in Vietnamese
1100 GMT 1 Apr 88

[Text] On 1 April 1988, Nguyen Phuong Vu, head of the China Department of the Foreign Ministry, received Chinese Ambassador to Vietnam Li Shichun and handed to him an aide-memoire the contents of which are as follows:

1. In its Chinese broadcast on the morning of 1 April 1988, Beijing Radio reported that the Chinese side said it had rescued Vietnamese sailors from the three Vietnamese freighters set ablaze in the 14 March 1988 incident provoked by China. The Vietnamese side requests that the Chinese side supply a namelist of, and information about, these sailors, provide medical care for any sick or wounded sailors, and allow them to return for an early reunion with their families. This is a humanitarian question that should be resolved with due attention. It is proposed that the Chinese side respond and give an early reply.

2. On 16 March 1988, at the meeting between the head of the Vietnamese Foreign Ministry's China Department and Ambassador Li Shichun, the Vietnamese side requested that the Chinese side refrain from obstructing Vietnam's efforts to rescue the Vietnamese sailors and vessels. On 17 March 1988, at a meeting between Ambassador Li Shichun and First Vice Foreign Minister Dinh Nho Liem, the Chinese ambassador conveyed to him the Chinese side's official agreement with Vietnam's request. But, during the past few days, Chinese warships have continued to prevent Vietnamese rescue ships from approaching the site in the Gac Ma area where the Vietnamese freighters were set ablaze to rescue the Vietnamese ships and sailors. The Vietnamese side will send the rescue vessel "Dai Lanh" to this area that will reach its destination on the morning of 2 April 1988.

The Vietnamese side reiterates its request that the Chinese side honor its promise not to obstruct Vietnam's efforts to rescue its sailors and ships and not to prevent Vietnamese freighters from bringing supplies to the Truong Sa [Spratly] Archipelago.

On this occasion, Comrade Nguyen Phuong Vu reiterated a request made to China by Vietnam on several occasions in the past that China allow pilot Tran Ton to return for an early reunion with his family. The Chinese side should give an early reply to this request.

Radio Urges Talks

BK010801 Hanoi Domestic Service in Vietnamese
0015 GMT 1 Apr 88

[Unattributed "article:" "Holding Talks Is the Best Way To Settle Differences Between Vietnam and China"]

[Text] A striking feature of world public opinion toward the dispute over the Truong Sa Archipelago is the approval of, and support for, Vietnam's correct stand

and good-willed attitude as reflected in its proposal that talks be held with China to settle differences and that, pending the opening of talks, both sides commit themselves to avoid clashes to prevent the situation from worsening. The Soviet Union has, on three occasions, voiced its support for Vietnam's proposal. Most recently, Soviet Vice Minister of Foreign Affairs Rogachev said at a news conference in the capital of the Philippines on 23 March: Negotiations between the parties concerned should begin as soon as possible. Differences cannot be settled by force; and in this sense, we support our Vietnamese friends.

The Bulgarian paper NATIONAL FRONT pointed out: Against the background of a complex situation in Southeast Asia, more than ever before, political practicality and a constructive spirit are needed to solve disputes at the negotiating table in the interests of peace, security, and good-neighborliness in the region. Vietnam's diplomatic initiative reflects a new political thinking that takes into account the interests of the negotiating parties. The same paper asserted: The only way to remove bottlenecks and smash the wall built up by hostility and suspicion is political dialogue.

However, what about China? It has officially rejected talks with Vietnam. Following a note dated 24 March of the Chinese Foreign Ministry, RENMIN RIBAO on 29 March reiterated China's rejection of talks with Vietnam. China considers Vietnam's proposal for talks false and deceitful. Public opinion cannot help but be surprised at China's argument. Most of the views favor talks for solving differences and disputes between the two sides, considering this the only rational way. China, however, calls them false and deceitful. Obviously, its thinking and interpretation are totally different from what is generally accepted.

In his report on government work to the Seventh Session of the Chinese National People's Congress on 27 March, Acting Chinese Premier Li Peng said that China always respects efforts to maintain and develop harmonious and neighborly relations with surrounding countries and pays particular attention to peace and stability in Asia. By contrasting this statement with China's acts, one can see the contradiction. In causing conflict in the area of the Truong Sa Archipelago, China has not only run counter to the wish for development of harmonious and neighborly relations with Vietnam in particular but also aroused concern about its expansionist design in the countries of Southeast Asia. What is more, China has refused to hold a dialogue with Vietnam to settle differences. Thus, how could China develop harmonious neighborly relations with the surrounding countries and prove its concern for peace and stability in Asia?

It must be said further that China has presented one piece of evidence after another claiming adamantly that the Hoang Sa [Paracel] and Truong Sa archipelagoes belong to China. For its part, Vietnam has also pointed out specific historical facts affirming its sovereignty over

these archipelagoes. When such a dispute has arisen, the best way is to meet each other for talks. Unless this is done, how can it be determined who is right and who is wrong?

A problem may be solved in different ways; but in this case, the best way for settling it is to hold talks peacefully. This is the correct and persistent stand of the Vietnamese people.

CPSU Politburo Hails Talks With Do Muoi

*BK011044 Hanoi International Service in English
1000 GMT 1 Apr 88*

[Text] The Political Bureau of the CPSU Central Committee has worked out measures to promote the efficiency of economic cooperation between the Soviet Union and Vietnam.

At the afternoon session to consider the internal-external affairs on Thursday [31 March], the Political Bureau hailed the results of the talks between Soviet leaders and Mr Do Muoi, Political Bureau member and secretary of the CPV Central Committee, who had paid a working visit to the Soviet Union recently.

Leaders Address Editors of Socialist Papers

Nguyen Van Linh Speech

*BK300944 Hanoi VNA in English 0709 GMT
30 Mar 88*

[Text] Hanoi VNA March 30—Yesterday morning, General Secretary of the Communist Party of Vietnam Central Committee Nguyen Van Linh addressed the conference of editors-in-chief of the communist and workers' parties papers of socialist countries held in Hanoi from March 28-29: Substantial excerpts follow:

"Renovation is a process covering all domains. In Vietnam, however, most important is economic renovation. The 6th Congress of the Communist Party of Vietnam has achieved the goal of stabilizing the socio-economic situation and to develop from that basis. For a basically agricultural and, we can say, backward agricultural country like ours, the path to socialism bypassing the period of capitalist development after 30 years of devastating war, cannot be an easy one and naturally must start from agriculture. After the country was liberated in 1975, prompted by subjectivism we thought that since we had surmounted all difficulties and hardships and defeated the colonialists and imperialists we could from now on develop our economy quickly and easily. Hence the hasty building of a series of industrial constructions the hasty socialist transformation without waiting for the renewal of the outmoded wartime mechanism of management based on state subsidies, the lesson we have drawn in this connection is that, while in difficult times we could join efforts to overcome difficulties and take the revolution forward, we easily lend ourselves to complacency and subjectivism when victory is achieved.

Our records over the past ten years or so are not small but neither are our shortcomings and errors. This resulted first of all from our incorrect view of socialist construction in a backward agricultural country and our inadequate understanding of Lenin's ideas about the new economic policy period.

Renovation means first of all economic renovation. But the root cause of our present stagnation lies in the economic thinking. So, to renovate the economic thinking in order to stabilize the socio-economic situation in our country means to focus on the implementation of the three major economic programmes (food, consumer goods and export) especially food production. To this end, we have made agriculture the forefront. We have also concentrated efforts on developing the state-owned and collective economic establishments while making full use of the other economic sectors in order to release all production forces in service of the three economic programmes in the first place. We also regard it essential task to abolish the state-subsidized mechanism of economic management and make a complete shift to socialist business accounting aimed at reinforcing all production bases and developing commodities production."

"To struggle for peace and nuclear disarmament to save mankind from the holocaust of a new world war is the aspiration of the people of the world including the Vietnamese people. Therefore, we warmly welcome the result of the Soviet-U.S. talks, because it is the result of a determined and persistent struggle of the revolutionary and peace forces around the world. However, it is only an initial success because it still has to overcome many difficulties and complications which are not caused by the Soviet side, the socialist countries and the revolutionary and peace forces in the world. The U.S. imperialists and reactionary forces are trying by every means to interfere in and repress the movement for national liberation, overthrow progressive regime, economically blockade and exploit developing countries aimed at drawing them into their orbit. Therefore, our party's standpoint is to exert all-out efforts to defend peace and prevent a nuclear war in close association with the support for the regional struggles to defend national independence and demand the establishment of a new economic order."

"Our country has undergone long years of war and our people have endured great sacrifices to defend national independence, so we earnestly desire a peaceful life to build the country. Consequently, dialogue and not confrontation is the trend of our time. It is also our aspiration. We are very desirous of good neighbourly relations with China, but regrettably till now we still cannot renew these relations because the Chinese authorities have set a precondition, namely Vietnam must withdraw its troops from Kampuchea while they continue to send money and weapons to help the Pol Pot clique to nibble at Kampuchea's land and kill the Kampuchean people, that is not fair. Recently, they blatantly sent troops to occupy some

islands in the Truong Sa [Spratly] Archipelago of Vietnam's territory thousands of kilometres away from their border, violating our territorial sovereignty and unsettling the situation in Asia and the Pacific."

"The Kampuchea issue must be solved by the Kampucheans themselves. The talks between Chairman Hun Sen and Prince Norodom Sihanouk have obtained good initial results. How the future will be we cannot predict. However, we know that it is not smooth going. Nevertheless, we believe that peace and reconciliation is the trend of our time, the aspiration of the Kampuchean people and our people.

"With regard to the ASEAN countries, we wish to establish neighbourly, friendly and cooperative relations on the basis of mutual benefit and to make Southeast Asia a region of peace without nuclear weapons.

"The press is a tool for renovation, so it must be renovated in all its links, from the editors, correspondents to work style. We are carrying our renovation out steadily and step by step. Therefore, the experiences of the newspapers of fraternal parties reported at this conference will surely help the paper NHAN DAN improve its work."

Dao Duy Tung Remarks

*BK011001 Hanoi Domestic Service in Vietnamese
1100 GMT 29 Mar 88*

["Main points" of speech by Dao Duy Tung, alternate member of the CPV Central Committee Political Bureau, delivered in Hanoi at the 28 March opening session of the regular conference of editors in chief of party papers of socialist countries]

[Text] Comrade Dao Duy Tung, alternate member of the CPV Central Committee Political Bureau and secretary of the party Central Committee, highlighted key points in the process of renovating Vietnam's major socioeconomic policies in the spirit of the resolution of the Sixth CPV Congress. He pointed out that renovation is not an easy process and that the Vietnamese socioeconomic situation, despite some improvement, is still beset by numerous difficulties, some of which have become even more acute than before. A number of new factors have emerged, but they are not numerous and steady. The Vietnamese party and people will persist in carrying out renovation and will try to achieve step-by-step successes in this cause. The question here is how to choose correct forms and steps of renovation and to define the concrete content for each step.

Comrade Dao Duy Tung added: While carrying out socialist construction, we must also devote ourselves to national defense and the struggle against the multifaceted campaign of sabotage waged by the Chinese power-holders. The Vietnamese party and state, with their persistent stance of respecting the fundamental and lasting interests of the peoples of Vietnam and China,

have unceasingly strived for the normalization of relations between the two countries and the restoration of the traditional friendship between the Vietnamese and Chinese peoples.

After condemning the Chinese power-holders' recent encroachments and criminal acts in the area of Vietnam's Truong Sa [Spratly] Archipelago, Comrade Dao Duy Tung affirmed: The incidents have exposed the Chinese power-holders' premeditated and well-calculated schemes which were closely guided from the top. These acts seriously threatened peace and security in the Southeast Asian region, ran counter to the trend of dialogue, and caused more concern for littoral countries in the Eastern Sea as well as China's neighbors, thus prompting them to heighten vigilance against the Chinese power-holders' policy of expansionism and force to occupy land and territorial waters of their neighbors. We appeal to the peoples of China and the world to stay the criminal hands of some Beijing power-holders and demand that they hold negotiations as proposed by Vietnam's Foreign Ministry in its 17 and 23 March 1988 notes to peacefully solve this issue.

Regarding the tasks of mass media agencies, Comrade Dao Duy Tung said: In the process of renovation in our country, the mass media, particularly the party paper, holds an important position. A few days ago during a working session with our party paper, Comrade General Secretary Nguyen Van Linh urged that the paper NHAN DAN, as the central organ of the party, must be a tool symbolizing the spirit of renovation set forth by the Sixth CPV Congress and must, together with other elements of the press, guide and accelerate the cause of renovation in society. Our press is responsible for disseminating our party lines and policies, especially the new concepts set forth by the Sixth CPV Congress and other policies relating to renovation. It must stay close to reality to provide timely information and faithfully report new events; to discover, report, and warmly support new factors typifying the spirit of renovation. At the same time, it must struggle courageously against such phenomena as conservatism and sluggishness and other negativist phenomena, deal with and point out ways to solve issues of social concern, promote healthy public opinion, and mobilize large sections of the people to implement the revolutionary tasks. The mass media agencies' great responsibility for the cause of renovation also demands that the press renovate its work.

After pointing to the progress made by the Vietnamese press during the past year and more in the spirit of renovation, Comrade Dao Duy Tung stressed: These were only initial results. In addition to these achievements, there also were numerous shortcomings that prevented the press from measuring up to the demands of the revolution. However, we think it is imperative to persist on the path of renovating the press to enhance the efficiency of the socialist press in the cause of renovation. We have learned that newspapers of many fraternal

parties are making new changes and gaining good experience. What we have always wished to see is unity of action and exchange of professional experience to enhance the strength of the papers of socialist countries which is part and parcel of the effort to strengthen socialism in the world.

Philippine Delegation Visits 28-31 March

Meets Nguyen Co Thach

*BK011209 Hanoi International Service in English
1000 GMT 1 Apr 88*

[Text] A delegation of the Committee for National Defense and Security of the Philippines lower house led by its president, Jose Yap, visited Vietnam from 28 to 31 March 1988 as guests of the Committee for External Relations of the Vietnamese National Assembly.

The delegation was received by Nguyen Co Thach, vice chairman of the Council of Ministers and foreign minister, and Defense Minister Le Duc Anh. The delegation also had working sessions with Mrs Nguyen Thi Binh, president of the Committee for External Relations.

During its visit to Vietnam, the delegation had working sessions with the chairman of the People's Committee of Ho Chi Minh City, the chairman of Commerce and Industry Liaison Office of Vietnam. In their contacts, the two sides expressed their wish to further develop the friendship and good neighborliness between Vietnam and the Philippines and the possibility of strengthening cooperation between the two countries.

European Parliamentary Delegation Visits

*BK281550 Hanoi VNA in English 1524 GMT
28 Mar 88*

[Text] Hanoi VNA March 28—A delegation of the socialist deputies to the European Parliament led by Hans Joachim Seeler, vice president of its Committee for External Economic Relations, visited Vietnam from March 21-28 at the invitation of the Commission for External Relations of the Vietnamese National Assembly.

The delegation had working sessions with Mrs Nguyen Thi Binh, head of the National Assembly's Commission for External Relations, and representatives of the Ministry of Foreign Trade, the Ministry of Agriculture and Food Industry, the General Department of Chemical Products, and the people's committees of Hanoi and Ho Chi Minh City.

It was received by chairman of the National Assembly Le Quang Dao, acting chairman of the Council of Ministers Vo Van Kiet, and Foreign Minister Nguyen Co Thach.

The two sides expressed the hope for stronger relations between Vietnam and the European Economic Community.

During its stay in Vietnam the guests paid tribute to President Ho Chi Minh and toured several economic, cultural and social establishments in Hanoi and Ho Chi Minh City.

Lao Assembly Delegation Visits 23-31 March

*BK311535 Hanoi VNA in English 1453 GMT
31 Mar 88*

[Text] Hanoi, VNA March 31—A delegation of the People's Supreme Assembly of Laos led by Bounkeut Khamphaphongphan, member of the Assembly and deputy head of its Draft Legislation and Electoral Sub-Commission, paid a working visit to Vietnam from March 23-31, at the invitation of the Vietnam State Council.

While here, the delegation paid tribute to President Ho Chi Minh at his mausoleum and visited his home and office. It was warmly received by Le Quang Dao, member of the Communist Party of Vietnam Central Committee, vice-president of the State Council, and chairman of the National Assembly.

It also had working sessions with Nguyen Viet Dung, secretary general of the State Council.

Leaders Thank Laos for Pham Hung Condolences

*BK301146 Vientiane KPL in English 0935 GMT
30 Mar 88*

[Text] Vientiane, March 30 (KPL)—Kaysone Phomvihane, general secretary of the LPRP CC, chairman of the Council of Ministers, Phoumi Vongvichit, acting-president of the Lao PDR, and Sisomphon Lovansai, acting-president of the People's Supreme Assembly recently received a telegramme jointly signed by their Vietnamese counterparts Nguyen Van Linh, Vo Chi Cong, Vi Van Kiet and Le Quang Dao.

The message acknowledges the Vietnamese appreciation for the condolences conveyed by the Lao leaders on behalves of the LPRP CC, the PSA, the Council of Ministers and the Lao people on the occasion of the death of Pham Hung, the late chairman of the Council of Ministers.

Dinh Nho Liem Receives Indian Ambassador

*BK311233 Hanoi International Service in English
1000 GMT 31 Mar 88*

[Text] The first deputy foreign minister, Mr Dinh Nho Liem, received in Hanoi on Thursday [31 March] Indian Ambassador to Vietnam Johari Pushkar.

On behalf of the Vietnamese Government and people, Mr Dinh Nho Liem sincerely thanked the fraternal Indian Government and people for their wholehearted assistance and precious support to the Vietnamese people's national construction and defense, independence, sovereignty, and territorial integrity. Mr Dinh Nho Liem

highly valued India's great contributions to the Non-aligned Movement, to peace, stability, and cooperation in Asia and the rest of the world.

Mr Dinh Nho Liem and Indian Ambassador Johari Pushkar exchanged views on how to improve the efficiency of all-out cooperation between the two countries.

Aid From World Meteorological Organization
BK251551 Hanoi VNA in English 1453 GMT
25 Mar 88

[Text] Hanoi VNA March 25—The World Meteorological Organization has given the meteo-hydrological station of Ho Chi Minh City a set of equipment which can receive photos directly from the Soviet, U.S. and Japanese meteorological satellites.

Together with the satellite ground stations "Lotus" 1 and 2, the new equipment will help improve weather forecasts in service of production and life.

In the past years, the station has ensured storm and flood forecasts from 10 to 15 days in advance in the Mekong River Delta.

Report on Peasant Congress Closing Session
BK011035 Hanoi Domestic Service in Vietnamese
1100 GMT 29 Mar 88

[Text] This morning, the First National Congress of Delegates of the Vietnam Peasants Association continued its work at the Ba Dinh Conference Hall.

The congress heard reports by delegates from mass organizations, the VFF Central Committee, the Vietnam Confederation of Trade Unions, and the Vietnam Women's Union, and delegates from Ha Tuyen, Dong Nai, Hai Hung, Dac Lac Provinces, and Ho Chi Minh City. These reports affirmed the important position of the peasantry and its great contributions to national defense and socialist construction. The reports made many proposals on developing the peasants' right to mastery and on improving the management mechanism in agriculture according to the present production conditions. They proposed that the state apply a rational and fair policy in purchasing agricultural products from the peasants, pay more attention to women laborers, and improve the cultural and spiritual life of peasants, especially in the mountain areas. Various echelons and sectors should also pay more attention to consolidating the peasants associations at various levels. However, many reports of the delegates failed to mention the peasants' responsibility and obligation toward the state.

This afternoon, 29 March, the First National Congress of Delegates of the Vietnam Peasants Association held its closing session. At this session, the congress was honored with a Gold Star Order bestowed to the Vietnamese peasantry by the state and presented by Council of State Chairman Vo Chi Cong. Afterward, the congress heard

the results of the election of the Vietnam Peasants Association's 95-member Executive Committee with Comrade Pham Bai, member of the party Central Committee, serving as its chairman.

The congress adopted a resolution and statement on the Truong Sa [Spratly] issue and approved a letter of resolve addressed to the party Central Committee and the government. Afterward, Comrade Pham Bai delivered a closing speech.

Article on Peasant Congress
BK311435 Hanoi Domestic Service in Vietnamese
1100 GMT 27 Mar 88

[Unattributed "article": "The National Peasants Congress, A New Turning Point in the Peasantry's Revolutionary Movement"]

[Text] Tomorrow, the national congress of delegates of the Vietnam Peasants Association will open at the historic Ba Dinh Conference Hall, marking a turning point in the revolutionary movement of the Vietnamese peasantry.

The congress will pay tribute to the extremely great contributions of the peasantry and the considerable achievements of the Vietnam Peasants Association in the glorious revolutionary cause of our nation under the party leadership. On this basis, the congress will educate and motivate peasants to continue developing their fine tradition and initiate a new revolutionary movement in the countryside and in all domains—economic, agricultural, forestry, and fishery. This is aimed at fulfilling the socioeconomic objectives set forth by the sixth party congress, by concentrating on the three major economic programs and the campaign to purify party organizations and the state machinery, to enhance their militant strength, and to promote healthy social relations. Thus, the congress will contribute to extricating the country gradually from the current difficult situation and advancing it toward socialism step by step.

The congress will also adopt a statute for the Vietnam Peasants Association; define the role, functions, duties, and rights of its members and of the peasants associations at various levels; and elect the association's central committee. At the same time, it will receive a coveted order awarded by the party and the state in recognition of the great service rendered by the peasantry all over the country during the two revolutions.

Under the party leadership, the Vietnamese peasants, the largest group of people in our society, have made considerable contributions to the cause of national liberation and the socialist revolution—not only with their energy, intellect, and material resources but also with their flesh and blood. The Vietnamese revolutionary cause in all places and at all times bears the indelible mark of these inspiring and admirable contributions.

Since the total liberation of the country, the Vietnamese peasantry has concentrated its efforts on the front of agricultural production and has recorded notable achievements, especially on the front of grain production. Vietnam's agricultural production pattern has undergone a radical change, with rice monoculture being replaced by intensive rice farming, expansion of the subsidiary food crops, and development of industrial crop cultivation for export. The new management system is taking shape and being gradually improved, thereby promoting the process of democratization in the countryside.

These achievements can be attributed to the traditional patriotism of our peasants, their unshakable loyalty to the party, and devotion to the revolutionary cause of the nation. Our peasants are also a large group of laborers who are industrious, creative, and realistic and can quickly grasp new ideas and advanced science and technology.

The congress is an opportunity for our peasantry to look back at the entire historic stage it has been through and to see more clearly the current situation of the country to define its role and responsibilities in the coming revolutionary stage. The changes already made, however, have not been far-reaching and comprehensive enough. They have also been slow measured against the current pressing demands of production and life. In agricultural production in particular, we are not producing enough to feed ourselves; the role of agricultural workers, the largest group of laboring people, the ones who produce grain and foodstuffs to feed all society, is being underestimated; the party and state have been slow in renovating their concrete but still unfair policies and regulations on agricultural; and rice and subsidiary food crop growers are usually entitled to about 20 percent of the amount of grain they produce under contract. The cultural and social life in the countryside is still vapid and the education and training of peasants' children as well as the building of the new countryside and new people as collective masters of the countryside have not received given due attention. Negative phenomena have spread in the rural areas, and a new class of rural bullies and deviant, degenerate cadres have abused their power in an increasingly blatant and tyrannical fashion. In many localities, the peasant associations are devoid of any real power, and persecuted and bullied peasants do not know where to turn for help. All this has eroded the new production relations in the countryside, seriously weakened the party's prestige, and reduced the peasantry's confidence in our party.

For their part, the peasants themselves have not yet clearly realized their responsibilities and obligations in their role as collective masters of the country.

This congress will be a historic get-together to show the strength of unity and the great contributions and achievements scored by the Vietnamese peasants in the past years under the party leadership. It will be a

congress for the delegates to air their thoughts and aspirations and to convey the suggestions and proposals of the peasants. It will also be a turning point marking a new revolutionary stage of the Vietnamese peasantry with its new ideas, new responsibilities, new obligations, and new interests.

Localities Confer on Maritime Security

*BK010514 Hanoi Domestic Service in Vietnamese
1430 GMT 28 Mar 88*

[Text] The representatives of five localities having sea borders, such as Duyen Hai District of Ho Chi Minh City, Go Cong Dong District of Tien Giang Province, Can Duoc District of Long An Province, Chau Thanh District of Dong Nai Province, and Vung Tau-Con Dao Special Zone, recently held a conference to discuss a joint plan to protect the security of the sea zones.

Over the past few years, criminals, economic saboteurs, armed pirates, and organizers of escapes by sea have taken advantage of loopholes in the local administration to conduct harassment operations breaching security in sea areas. To protect the security of adjacent sea zones and ensure peace for the local people to work, the people's committees of the aforementioned localities have unified the application of some regulations on personnel and resources management and rescue measures.

The conferees discussed measures to maintain coordination among the forces and make specific assignments to the Border Defense, Public Security, Army, Militia and Self-Defense Forces and to the network of people's mutual defense and security; to control fishing and the purchase of maritime products; and to vigorously accelerate the tasks of market management, forest control and quarantine in the region.

The conferees discussed communication and liaison and the circulation of information on the situation among various localities. A joint conference will be held annually to draw on experience and localities will set forth guidelines for the future.

Nghe Tinh Tax Sector Tackles Corruption

*BK010552 Hanoi Domestic Service in Vietnamese
2300 GMT 29 Mar 88*

[Text] On 23 March, the disciplinary board of the industrial and trade tax sector of Nghe Tinh held an inquiry on 38 cadres, including section chiefs and deputy chiefs, who had committed numerous mistakes in implementing policies and systems regarding industrial and trade taxes, violated financial discipline, and misappropriated tax money. Except for 11 cases that were held for clarification of details, the board decided to take disciplinary measures against 27 cadres, with 3 of them, a section chief, a deputy section chief, and a station chief, facing dismissal; 6 others being transferred to other sectors or, if this was impossible, dismissed; 11 others

being publicly criticized before the entire sector, subjected to a pay cut, and transferred to production jobs; and with the rest being reprimanded. In particular, charges were brought against a number of corrupt cadres who, lacking in the sense of organization, had misappropriated more than 60,000 dong in tax money by refusing to issue receipts for the taxes collected and failing to turn them over to the treasury.

At present the industrial and trade tax sector of Nghe Tinh is completing the files of 25 other cases that will be dealt with in the near future; and it is intensifying efforts to combat negativism within its own ranks in a determined bid to remove from service cadres who have sunk low in quality and life-style.

VNA Quotes NHAN DAN on Overseas Labor
*BK230741 Hanoi VNA in English 0710 GMT
23 Mar 88*

[Text] Hanoi VNA March 23—NHAN DAN in its editorial today says that to step up labour cooperation with foreign countries, firstly with socialist countries, is a correct and important policy on external economic relations and a significant measure to exploit the country's abundant labour resource.

The paper says:

"Since 1980, more than 120,000 young Vietnamese have been sent abroad mostly to the Soviet Union, the German Democratic Republic, Czechoslovakia and Bulgaria to work or learn a trade. Forty percent of them are studying or working in the engineering, electricity, electronics and mining industries, 40 percent in textile, leather, cloth-making, glassware and food-processing industries, the rest in capital construction, agriculture, forestry, water conservancy and other branches. More than 30,000 have returned home after expiry of their contracts.

However, many shortcomings remain, especially in the selection and management of the work force sent abroad. The forms of cooperation could have been more diversified and the scope broader. NHAN DAN goes on: "To broaden and renovate labour cooperation with foreign countries is an objective requirement. It must be broadened in all fields and involve both socialist countries and non-socialist countries at all the three levels: Government, branch and enterprise. It must also be diversified in forms, such as setting up Vietnamese teams to work beside workers of the host country, undertaking single-handedly a whole construction project, working by quota-contracts and on a product-sharing basis with the host country, or cooperating with a country in a labour contract with a third country".

Review of March TAP CHI CONG SAN

*BK311445 Hanoi Domestic Service in Vietnamese
1000 GMT 27 Mar 88*

[Summary] The March 1988 issue of TAP CHI CONG SAN begins with the "full text" of a special notice of the party Central Committee, National Assembly, Council of State, Council of Ministers, and VFF Central Committee Presidium on the demise of Council of Ministers Chairman Pham Hung. This is followed by a eulogy delivered by party Central Committee General Secretary Nguyen Van Linh at the funeral service for the late comrade.

Next is an unattributed article entitled "Culture in Our Current Social Life," dealing with our cultural achievements scored over the past 10 years and analyzing our cultural weaknesses and deficiencies in various aspects. These include, among other things, "a deterioration in morality and life-style, an increase in social vices, and the serious violations of public order, safety, and the law, the rising number of illiterates," and so forth. After pointing out "necessary conditions for accelerating the development of socialist culture," the article concludes by saying that it is the duty of our party and state to "bring our culture to a full play."

An article by Thai Minh: "Some Suggestions on the Renovation of Theoretical Thinking," provides a general discussion on theory in social development and points out "urgent and inevitable requirements for renovating theory in view of the current situation in our country." The article says: "The Sixth CPV Congress raised a very high demand for renovation of thinking aimed at overcoming shortcomings and errors in all aspects of theory, from subjects to objects, from substance to format, and from methods to standpoints." The article adds: "From these objective demands, our party directs the current renovation of thinking in the economic field."

In an article by Ton Giao Duyen, head of the General Department for Land Management, entitled: "The Land Act—A New Mark in Our State Management," the author deals with the need to promulgate the Land Act and urges land managers and land users to seek to understand and strictly comply with the above law.

Carried in the economic section is an article by Prof Nguyen Dinh Nam calling for "replacing the system of self-provided and self-reliant production with the system of producing marketable farm products in the advance toward large-scale production."

This is followed by an article by Tran Duc: "Seek To Understand the Application of the Leninist Cooperativization Plan," looking back over the 30-year-old agricultural cooperativization movement in our country and "pointing out successes as well as shortcomings, errors, and obstacles as well as the reason for the outbreak of these problems."

An article by Tran Dinh Nghiem: "As for the System of Public Ownership in the Transition to Socialism," affirms the "positiveness and superiority of public ownership of the means of productions in socialist countries." It says, however, that "facts obtained from the building of pragmatic socialism in our country and other fraternal countries in the past show that the superiorities in the system of public ownership of the means of production have failed to develop their effects fully." The article also points out that the "dialectical harmony" of various economic components and various forms of ownership with the state-run economic sector plays a leading role.

In this issue, the journal also carries an article by Dong Thao: "Achieve Social Justice," pointing out that social justice is the people's earnest aspiration and also an objective and driving force of socialism. "But regrettably, for many reasons, we are now faced with increasing social injustices in many areas of our social life. The article points out the injustices against peasants and agriculture, against various economic components, against various trades and occupations, against the contingent of cadres, and so forth while bringing forth basic, long-term, specific, and urgent guidelines for helping to ensure social justice."

In its "Book Reading" section, the journal carries an article by Pham Van Duc, introducing the book "The Transition to Socialism in Vietnam and Some Socioeconomic Problems in the Initial Stage" by Prof Pham Nhu Cuong and published in 1987 by the Hanoi Social Science Publishing House.

In its "Study and Exchange Views" section, the journal continues to discuss the problem of inflation with such articles as "The True State of Inflation in Our Country" by Nguyen Van Truong; and "Regarding the True State of Inflation in Our Country and the Need To Slow Down the Inflation Rate" by Le Thanh Long. The authors "agree that the true state of inflation in our country at present is serious. As for correctional measures to lower the inflation rate, author Nguyen Van Truong maintains that the most urgent and fundamental measures are those of quickly increasing the source of income by all possible means, effectively using the capital obtained, using fully all sources of capital from within and without the country, and renovating credit operations to stimulate production and circulation. Stepping up the development of production and increasing labor output must be accompanied by a policy of thrift, guarding against budget revenue shortfall, and the determination not to put more paper money into circulation."

In its "We Conduct Interviews in Connection With the Campaign To Purify the Party and Improve Its Militancy" section, the journal continues to carry answers to the question "what steps should be taken to carry out this campaign successfully?"

Starting with this issue, the journal opens a "Roundtable Conference" column to introduce the essence of a recent discussion held at the headquarters of the editorial staff of TAP CHI CONG SAN with the participation of various comrades from the Central Cultural and Art Department, from the Society of Writers, and literary and artistic critics. The purpose of this conference was to discuss the need to carry out renovation in the literary and artistic sector.

In its "Ideological Activities" section, the journal carries an article by Nhi Le, in connection with some press reports on mistaken trials of innocent people by certain juridical organs, criticizing the bureaucratic and irresponsible attitude of these organs.

In its "International News" section, the journal carries an article entitled "Seeking To Understand the Significance and the Reasons for the Creativity and Dynamism in the Soviet Union's Foreign Policy of Peace" by An Manh Toan.

In its "Published in Fraternal Countries" section, the journal introduces various articles recently carried in Soviet press dealing with perestroika.

Briefs

Soviet Ship Gift Received

Hanoi VNA March 29—The Vietnam Ocean Ship Company (VOSCO) recently received in Ho Chi Minh City a 4,000-ton cargo ship as gift from the Soviet Union. Since the conclusion 10 years ago of a cooperation agreement between the Vietnamese and Soviet shipping services, the Soviet Union has presented Vietnam with 12 cargo ships with a total tonnage of 50,000 tons. [Text] [BK291642 Hanoi VNA in English 1530 GMT 29 Mar 88]

Symposium on Education

Hanoi VNA March 22—The Education Ministry is holding a national symposium here on March 21-26 on the training of teachers in informatics education with UNESCO's assistance. Attending the symposium are Prof Dr Nguyem Canh Toan, deputy minister of education in charge of the informatics education program, and representatives of the Institute of Pedagogy, the Centre for Training Teachers, the Institute of Computerization and Cybernetics, and various universities and colleges.

UNESCO consultant-specialist Dr Mike Lallry was also present. The aim of the symposium in to step up preparations for the introduction of informatics education into the program of secondary schools in accordance with the 3-year plan of educational development (1987-90) worked out by the education service. [Text] [BK230231 Hanoi VNA in English 1455 GMT 22 Mar 88]

USSR Donates Rice

The Soviet Union has placed orders for 60,000 [metric] tons of rice worth about 325 million baht with a number of exporters for shipment to Vietnam as food aid. The purchase is expected to help boost the price of the cereal on the local market. [Excerpt] [BK290215 Bangkok BANGKOK POST in English 29 Mar 88 p 11]

Australia

Keating-for-Premier Move Within Labor Viewed

BK301155 Sydney THE AUSTRALIAN in English
22 Mar 88 pp 1, 2

[Paul Kelly's "National Political Comment"]

[Excerpts] The rumble that heralds a profound earth tremor for the ALP [Australian Labor Party] is growing closer with the almost open declarations of support for Paul Keating as prime minister coming from ACTU [Australian Council of Trade Unions] headquarters.

The push for Mr Keating to replace Mr Hawke is limited to a small but influential group within the Labor camp whose activities are supersensitive and whose identities are increasingly known to Cabinet ministers.

The decisive majority position within the Labor Party at present is for the Hawke-Keating team to remain as Prime Minister-Treasurer, and much of the Party regards any deviation from this as heresy.

Yet the leadership issue is being put into the public domain by the man whose standing within the movement is rivalled only by Mr Hawke and Mr Keating, and that is the ACTU secretary, Mr Bill Kelty.

Mr Kelty's virtual open backing for Mr Keating is shared by the ACTU president, Mr Simon Crean—whose future lies in federal politics—which means the power base once owned by Mr Hawke has now been gravely eroded.

The Keating advocates are a limited few, but hold strategic posts. Beyond the ACTU they number some of the economic ministers and the party's commissioned polling agency ANOP [Australian National Opinion Poll]. [passage omitted]

The majority ALP view of support for Mr Hawke was recently put by the former national secretary, Mr Bob McMullan. Yet the recent mistakes by Mr Hawke, plus Labor's weekend election debacle, mean that the Prime Minister is under some pressure.

The leadership is not an issue within the parliamentary party—but it may evolve. [passage omitted]

Labor members will only begin to choose between Mr Hawke or Mr Keating if they think they cannot have them both. This is their obvious preference.

The chief liability for Mr Keating is the view that he is unpopular and cannot win, a rather severe difficulty. Yet senior ministers claim that ANOP chief, Mr Rod Cameron, believes Mr Keating, if given time, can be marketed as a powerful and effective leader.

Mr Cameron, in turn, is one of the tight group of campaign strategists who fell out with Mr Hawke during the July 1987 federal election.

Within the cabinet it is the conventional wisdom that the Minister for Employment, Education and Training, Mr Dawkins, would be Mr Keating's treasurer.

It is hard to pinpoint the inclinations of senior ministers on the Hawke-Keating issue. For instance, Bill Hayden, who is now close to both men, appears ambivalent. Yet several of these ministers, notably the Expenditure Review Committee members, have much more to do with Mr Keating than with Mr Hawke.

There is no sign of the Treasurer doing any lobbying against Mr Hawke. The ALP is not likely to tolerate this. It would be very dangerous for Mr Keating, because Mr Hawke still has majority backing and he cannot beat Mr Hawke in any contest.

Mr Keating's political profile is lower than usual as he prepares for the May economic statement. This will be critical to both the Government's fortunes and possibly Mr Keating's own future. In the meantime, watch for the signals from ACTU headquarters.

Air Force To Participate in Singapore Exercise

BK010902 Melbourne Overseas Service in English
0510 GMT 1 Apr 88

[Text] Aircraft of the Australian Air Force will begin a major exercise this weekend in the Singapore-Malaysia area. Sixteen Mirage jet fighters from Darwin and the Butterworth Base in Malaysia will be deployed to Singapore's Paya Lebar Airfield tomorrow for a month-long exercise with the fighter aircraft from the Singapore Air Force.

The Singapore exercise will be a prelude to a major Five Power [Defense Pact] air defense exercise involving Mirages, five F-111's, an Orion maritime aircraft, and planes from Singapore and Royal Malaysian Air Force.

The other major exercise will center around Butterworth Air Base from 12 April and will be the last time the Mirages will exercise in the area before returning to Australia.

Future Australian Air Force deployment for these exercises will be with FA-18 and F-111 aircraft based in Australia.

Fiji

Mara's UK Mission Criticized by Major Groups

BK300855 Melbourne Overseas Service in English
0800 GMT 30 Mar 88

[Text] Fiji's prime minister, Ratu Sir Kamisese Mara, has been strongly criticized by two major political groups for his visit to London to try to reestablish the country's ties with the Commonwealth and the British Crown.

The right-wing extremist Taukei Movement, a strong supporter of the military coup which led to the breaking of Commonwealth ties, said Ratu Mara was trying to ignore a major objective of the coup—politic supremacy for indigenous Fijians outnumbered by ethnic Indians.

At the same time, the National Federation-Labor Party coalition of the deposed prime minister, Dr Timoci Bavadra, described Ratu Mara's mission as ill-advised posturing. The coalition said that unless democracy, equality, and justice—held in great regard by the British Crown and the Commonwealth—were restored in Fiji, Ratu Mara's mission would fail.

Army Officer Comments on 'Third Coup' Move
BK301014 Wellington THE EVENING POST
in English 25 Mar 88 p 1

[Text] Suva, March 24—A senior army officer was approached to stage a third coup in Fiji about a month ago, it was revealed yesterday, but the officer refused and told Fiji Military Forces commander Brigadier Sitiveni Rabuka about it.

Youth and Sport Minister Lieutenant Colonel Ilaisa Kacisolomone said the coup attempt was made by a group of extremist indigenous Fijians opposed to the interim government being led by Prime Minister Ratu Sir Kamisese Mara and President Ratu Sir Penaia Gani-lau.

Lt Col Kacisolomone was speaking at a meeting of villagers on Cicia Island, about 300 km from Suva in the Lau Group.

"The group presented a tabua (whale's tooth) to the officer and asked him to stage a third coup, allowing the people of Tailevu to take over the government," he said.

The province of Tailevu is on northern Viti Levu and headed by Ratu Sir George Ganilau, a paramount chief who was Fiji's first Governor-General.

The army had believed the province was the most likely to develop anti-Rabuka elements since the second coup.

Lt Col Kacisolomone said the army had kept the coup attempt quiet because it did not want to "fan the fire."

At another meeting on a nearby Lau island, Ratu Sir Kamisese told the Lau Provincial Council, of which he is paramount chief, that arrangements had been made in London for himself and Ratu Sir Penaia to hold talks "with Buckingham Palace" on Wednesday next week where they hope to re-establish Fiji's links with the British Crown.

New Caledonia

FLNKS Leader Backs Mitterrand Presidency Bid
BK310554 Melbourne Overseas Service in English
0500 GMT 31 Mar 88

[Text] The leader of the separatist Kanak Socialist National Liberation Front, the FLNKS, in France's Pacific territory of New Caledonia has endorsed Mr Francois Mitterrand's bid for another term as president. Mr Jean-Marie Tjibaou said in a newspaper article he hopes that President Mitterrand, a Socialist candidate, would again be the representative for all people who supported human rights and a (?modern) and progressive image of France.

In a companion piece to Mr Tjibaou's letter, the editor of the newspaper, Mr (Jean-Paul Basset), said that New Caledonia plagued by intermittent violence between the ethnic Melanesian Kanaks and French settlers would be the first hot political issue for the next French president.

Regional elections in the territory will be on 24 April, also the date for the first round of presidential election in which President Mitterrand faces two rightwing candidates—Prime Minister Mr Jacques Chirac, and former Prime Minister Mr Raimond Barre.

New Zealand

Outcry Over Maori 'Kill Whites' Call
BK300957 Sydney THE AUSTRALIAN in English
22 Mar 88 p 6

[By Geoff Spencer in Wellington]

[Text] A group of Maori activists have triggered a public outcry in New Zealand by calling on members of their race to kill whites.

The call was allegedly made by Maori nationalists Hana Jackson and Atareta Poananga at a meeting of first-year law students at Auckland University last week.

Newspapers reported that the two warned the students to leave New Zealand before the "Maori revolution". Ms Jackson said she often told young Maori jail inmates contemplating suicide to "kill a white person before you die, and become a hero".

The comments prompted a walkout by academics at the meeting.

Earlier this month, Ms Jackson's husband, Syd, said he would accompany several Australian Aboriginal activists on a visit to Libya.

Mr Jackson, a trade union official, and Ms Pananga were members of a group of Maoris who visited Fiji last year and praised coup leader Brigadier Sitiveni Rabuka for fighting for indigenous rights.

An Opposition National Party MP, Mr Ross Meurant, who had his house firebombed last year after warning of a rise of Maori terrorism, yesterday demanded police action.

However, the Minister for Police, Mr Peter Tapsell, himself a Maori, said nothing could be done. He personally deplored such statements, but New Zealand still had freedom of speech.

Papua New Guinea

UK Support for Fiji in Commonwealth Welcomed
BK310612 Melbourne Overseas Service in English
0500 GMT 31 Mar 88

[Text] The Papua New Guinea foreign affair minister, Mr Akoka Doi, has welcomed the British Government's support for Fiji to rejoin the Commonwealth. Commenting on a statement by the British prime minister, Mrs

Margaret Thatcher, that the United Kingdom would support Fiji's reentry to the Commonwealth, Mr Doi says it was unfair that the country's membership was being forced to lapse following military coups last year.

Mr Doi said he confirmed Papua New Guinea's stand on the move during recent discussions with the Fijian prime minister and senior government ministers.

The prime minister, Mr Wingti, strongly argued in support of Fiji remaining in the Commonwealth at the heads of government Meeting in a Canadian city of Vancouver last October.

Mr Doi called on Commonwealth countries to support Fiji's readmission to the organization.

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DATE FILMED

4 April, 1988

